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My Home Town—The Crossroads of the World

Francie E. Rowe

Controller and Credit Manager

H. Zirklin & Sons, Washington, D. C.

Past President, Credit Women's Breakfast Clubs of North America



AS YOU probably know my home is in Washington, D. C., the Nation's Capital. A dream of every youngster became a reality for me twenty-odd years ago. Realization began with my first glimpse of the city from a Pennsylvania train, as it roared into the Union Station bringing me from Iowa one beautiful September day. Washington proved to be one of the most fascinating places on the globe, and I gradually accepted it as my home when the residents extended their friendly hands. Washington with its monuments of marble and bronze; the shaft of the Washington Monument extending into the blue; the Lincoln Memorial; the Jefferson Memorial; the White House, home of the presidents; the Capitol Building, which possesses one of the three most famous and impressive domes in the world, and in which all the sessions of the Senate and House of Representatives are held; the recently completed Supreme Court Building, which stands as a symbol of our most cherished possession—freedom; the Library of Congress, housing the Declaration of Independence, the Constitution of the United States, as well as the works of this and past centuries; the Smithsonian Institute harboring Lindbergh's plane and other items of progress; the avenue of Embassies; the sleepy little section known as Georgetown, where the homes in which Washington, Lafayette, and Francis Scott Key lived and worked are still standing; and the boats, which cruise down the historic Potomac River to Mount Vernon, the home of the "Father of our Country."

At times when I have told people I come from Washington, District of Columbia, I have felt a reaction akin to pity that my home is located in an area of the country only 60 square miles in size; is not a part of one of the great 48 states of the Union; where the people do not even have a right to vote or experience the throbbing activity of great industry, commerce, agriculture, mining and other enterprises with which you folks are so familiar, according to the locality in which you live individually. This is all very true, but there is one outstanding purpose of its people which sets my home town apart and marks its greatness. It may be summarized in one simple word "Service" or Civil Service, if you please.

For here, on the banks of the beautiful Potomac River, just 152 years ago, the seat of the Government of the United States was established, not a place from which the people were to be governed, but a place dedicated by a free people from which they should govern themselves, through their accredited representatives. And so, there dwell in the permanent Capital of the Nation those representatives from all over the country—the President, the Vice-President; members of the Cabinet, justices of the Supreme Court; members of Congress, and other officials, with their families and assistants and the many employees of Government establishments—none of whom

is important in himself, but who mean something in proportion to the zeal and desire they exhibit in carrying out the wishes of those who sent them. According to the rules of democracy, they are entrusted with great responsibility and must answer to the people who elected them for the way they handle their obligations. Therefore, theirs is a mission of service, ever keeping in mind the welfare and interests of people all over the country.

Washington, to one who has never been here, must seem like a city of investigating committees, appointments and resignations, presidential candidates, of people with endless petitions, as well as lobbyists and cocktail parties. I know that there is reason to question the activities of some of our public officials, or to poke fun at some of our Congressmen, or to look askance at some of the movements in our Government establishments, but those of us who live in Washington will testify that, by and large, our public servants are earnest and sincere and work conscientiously and diligently in behalf of the public good.

Also to the Nation's Capital come the representatives of countries located in every part of the world, together with their families and assistants and employees, all intent upon serving the interests of their respective countries. In addition, here, in large numbers, are found those who engage in serving this great Government family in their various wants and needs: the shopkeepers, bankers, builders, lawyers, teachers, doctors, ministers, musicians and others, with their families and employees.

Such are the people who make up my home town, and I believe that the spirit of service in which they live and work illustrates the spirit in which we may accept our responsibilities and obligations as officers and members of the credit fraternity. Just as government officials hold their power and authority only because the voting public has delegated those privileges, so many of us accept personal responsibilities from time to time to take part in the work of the breakfast clubs or the credit associations throughout our land and the provinces of our good neighbor to the north, the great Dominion of Canada.

We are justly proud of the credit folks in Washington, who over the years have accepted responsible assignments and have demonstrated their ability to follow through. And, it is this town of mine, which welcomes you sincerely to a national credit conference next month which has been planned for your edification and pleasure. We truly hope that the atmosphere of this cosmopolitan metropolis will prove contagious and that you will spontaneously absorb its pervading spirits, namely, service, loyalty and sacrifice. May you come early, enjoy active participation in the conference program, and linger a few days longer in your Nation's Capital. ***

Put and Take

Or What the R.C.A. Means in Washington

William P. Norwood, Sr.

Credit and Collection Manager, Budget Accounts, The Hecht Co., Washington, D. C.
President, Retail Credit Association of the District of Columbia



ALWAYS a very active group, in recent years the Retail Credit Association of the District of Columbia has sponsored an educational program that has not only been received by the membership with keen interest, but also has produced some very concrete results. Of major importance was the founding of the credit school eight years ago. Since that time more than 1,200 students have attended its classes which have been held on eight Tuesday nights in January and February each year, of which the last night has always been a social affair.

Much preliminary planning and preparation is necessary. Long hours are spent by generous credit men and women in determining not only the subject matter but the exact methods to be followed in presentation. Mostly the speakers are selected from the local credit fraternity, although varied at times by importation from out of town. Instructors also include bankers, college professors, professional men and, at times, outstanding government officials. Usually the first night of each school is graced by a member of top management on an inspirational theme.

Prior to the present year all students were in one class, and while the results were very good and well worth while, registration possibilities were somewhat limited. When it was desired to provide material which would draw and retain the interest of the more experienced students as well as the newer ones, some difficulty arose. It was difficult to supply reason why they should come back year after year to a class which contained also many newcomers.

This year something was done to improve the situation and as a starter two separate programs were designed: one a beginners' class and the other for those who had attended in previous years. The latter automatically went into the advanced class. It was quite surprising that registrations were divided almost equally between the two classes and the class interest was much greater. Next year a third group will probably be formed and, based on such success as may be attained, a decision will be made whether a four-year course can be operated successfully. To those who complete the four-year course, as may be eventually planned, a diploma will be awarded and registrants will have well deserved them.

Another function of the RCA, of which its sponsors are justly proud, is a monthly publication known as the "Voice of RCA." Although small in size, it is mighty in the good work it does. In its columns appear notices of coming events such as major meetings, information regarding conventions, reports of delegates to conferences, as well as the discussion of current problems of credit interest. Each issue carries articles by one or more local credit managers. Always a portion of the publication is devoted to a biographical sketch of a credit leader.

A highlight of "The Voice" is the monthly message from John K. Althaus, Credit Bureau Manager. In these messages Mr. Althaus presents The Credit Bureau views to all RCA members (numbering about 1,200 persons) with suggestions of interest garnered from our own or foreign sources. This medium has supplied the opportunity for Credit Bureau publicity which heretofore was not conveniently available for important releases. For those who would like copies of "The Voice of RCA" or Credit School publicity, they may be had for the asking.

No educational and social group would be complete without association-wide dinner meetings and these have been most satisfactory. There is good attendance although the cost is high in our town. Out-of-town speakers such as L. S. Crowder, Clarence E. Wolfinger and Leonard Berry have appeared on our programs. Programs have included forums of credit folks or groups of professional men from several fields. One of the best recent forums, devoted to bad checks and fraud buying, included representatives from stores, Credit Bureau, enforcement offices and F.B.I. Guest speakers are chosen with care, meetings well publicized, and as a result, have "gone over" most successfully.

Directors' meetings, held about eight times each year, include committee chairmen and the attendance reaches about 20 persons. This is excellent representation; everyone on the board is a worker and each meeting generally produces a lively session. All profit materially, become familiar with rules and procedure and look forward to the next meeting.

Last year a series of luncheon meetings was very successful. Held twice monthly, attendance included typists, telephone clerks, cashiers and interviewers from credit offices as well as a goodly number of credit men and women. At each meeting one of the credit men made a short talk after which discussion and questions kept the interest high. Attendance was spread among many people in the credit offices and in this way many were able to participate with no inconvenience to the regular work.

The one big single event of the year is the afternoon and evening of our annual meeting held at a suburban golf and country club. Golf, swimming and tennis matches are set up in advance, with prizes for the winners. Then comes a luscious dinner followed by drawing numbers for a hundred or more valuable prizes donated by the members.

The results from these credit schools, luncheons, evening meetings and good time get-togethers have been highly gratifying. Our credit men and women have been brought closer together. It has made them more efficient and promoted new and increased interest. Their problems have been aired and they have been taught to think and act in their respective positions along more unified lines. One more important aspect is the moulding of tomorrow's Washington credit executives! ***



The Washington Shopping Plate Plan

W. W. Everett, Jr.

Assistant Vice President, Woodward & Lothrop, Washington, D. C.
President, Washington Shopping Plate Associates

IN THE fall of 1950 six of the major Washington, D. C., department and specialty stores placed in operation a new type of customer charge account identification plate plan. The stores co-operating were: The Hecht Co., Frank R. Jelleff, Inc., S. Kann Sons Co., Lansburgh & Bro., Raleigh Haberdasher, and Woodward & Lothrop. An association was formed in the name of The Washington Shopping Plate Associates but, unlike other similar groups, no central office was established and all operating costs were absorbed by each participating store. In contrast to almost all city groups, the restriction of an individual notch for each store's account was eliminated from the plan in order to facilitate the handling of plates. After a full year of experience, each store reports complete satisfaction with the plan of operation. In addition, a recent survey by the Farrington Manufacturing Company revealed a favorable over-all comparison with conventional type plans.

During the year preceding the formation of the Washington group, a thorough study was made of the group office operations in several other cities in order to formulate the best possible procedure. As a result of this study three questions were raised:

- 1) Why is it necessary to maintain a separate file of customer plates, showing stores in which customers have accounts, when this information could be made available in the local credit bureau?
- 2) When a customer opens an account or changes her address, why must she wait until a central office makes up a plate and mails it to her? Could it not be arranged for her to receive a new plate immediately in the credit office of the store and thus be free to shop at once?
- 3) What is the real value of the store notches if their elimination will speed up the servicing of plates?

The conclusion was finally reached that a plate system could be operated without a central file, or incurring a delay in issuance of plates, and it was decided that notch control could be eliminated.

As a foundation for our operation, a plate is recognized as merely an *account* identification, not a *credit* identification. Its primary value is the convenience afforded a customer in quickly and accurately recording her name and address. The store is, of course, greatly benefited by having a printed record on the address label for delivery packages and for faster sorting and stuffing in the cycle billing procedure.

As for its credit control value, it merely indicates that at one time the credit information received by a credit manager established that the customer was at that mo-

ment a good credit risk. Under any plate system, as a plate becomes old its value tends to diminish. If a person is inclined to violate credit limits, this will not be materially affected by plate controls. Thus, by establishing this concept of account identification and removing any desire to surround the plate with credit authority, we began to build our procedures and eliminate much that had been established in other cities.

A five-line plate was adapted in order to secure a fifth line for coding purposes. This enables the group to indicate on the plate the stores in which the customer has an account, as well as providing code designations to show if the plate was changed for new address, name, or replacement of lost plate.

All new plates are issued in the credit office of each store. A graphotype machine is located near the receptionist and every effort is made to provide immediate service to customers in effecting changes in plate data. The customer is requested to surrender the old plate when making a change of address in person. Mail requests for address changes are acknowledged with a printed card, common to all stores, advising the customer to bring her old plate to the credit office of any store in the group the next time she is shopping and a new one will be issued. This prevents possible duplication of plates. The notice also advises the customer to notify other member stores where she has an account of the change in address. In order to prevent throw-outs of sales checks in case the customer presents her plate at a store before the address has been changed on the ledger card, the first two digits of the old address are embossed on the fifth line of the new plate along with a code number to indicate the store making the new plate. Thus, when a cycle billing stuffing clerk finds the sales check address different but the name the same, she checks the first two digits of the old address and, if they correspond with the code digits, she files the check and makes out an address change. Experience has proved that customers normally change their addresses by means of billheads or other mail notifications, so the percentage of cases described above is quite small. However, this procedure does save much clerical time which is spent in conventional group office plans to determine if a change has been made through another channel.

In case of a request for a change of name, we ask the customer to notify each store of this fact, as it is usually advisable to review credit records in these cases. A new plate is made for the customer with the letter N stamped on the fifth line preceded by the code number of the store making the plate. In case this plate is used in another store before notification, the N symbol reveals the trouble and a phone call to the store with the code number will give all the details. In actual practice this call is rarely necessary.

Upon receiving a report of a lost plate, the store checks the account to be sure it is in order and no unauthorized purchases have been made with this plate. A new plate is then issued with a Z code number embossed on the fifth line. The customer is told to notify other stores of her loss in order to forestall another person's using the old plate. In actual practice this problem has been negligible and certainly not any more of a difficulty than exists in the usual group office procedure.

The cost of supplies, postage, and personnel incident to the plate operation is absorbed by each store. All stores recognized that the plate activity in each credit office would be proportionate to the number of accounts which that store held in per cent to the group. Each store is benefited by the in-person calls to obtain a corrected plate as a new address generally provides a demand to purchase. Mail requests do not require any more clerical time than found necessary by stores which must notify a central office of plate change data. Personnel utilized in plate processing can be used in other credit office work, and in some offices several persons are trained to perform all of the plate handling duties, so that at busy times customers can be quickly served. After a year's experience, this factor has not developed into a hardship on any store and the absorption of the supply and personnel cost has been considered satisfactory. Any advertising costs for group publicity or expenses of a nature which cannot be absorbed by individual stores are prorated on the basis of the per cent of each store's accounts to the total for the group.

The Farrington Manufacturing Company was engaged to make the original installation and did an excellent job of collating and preparing plates from approximately 500,000 accounts submitted by the six stores. With their wide national experience in the plate field they made a careful study after the first year of operation to determine the comparative benefits of the Washington plan in contrast to conventional central office patterns. A few points of interest from this study are summarized:

Question: Has the Washington Group found that new account plates are being duplicated because interviewer fails to obtain necessary information at the time the account is opened? If the account is opened by mail, does duplication occur?

Group reports: Very little evidence of duplication of new account plates has come to light. Certainly it does not appear to be a serious problem to the Washington Shopping Plate Stores. Even if the interviewer fails to obtain necessary information at the time the account is opened, or if information on an application received through the mail is incomplete, The Credit Bureau report shows whether or not the customer has a shopping plate account at any other store or stores. If there is no indication of the customer's having a shopping plate already, a new plate, enclosed in the group folder, is sent with the store's individual new account letter. If a shopping plate store reference is given, it is assumed that the customer already has a plate, and the appropriate new account letter is used to tell the customer that she may now use her shopping plate in the store where the new account has been opened. In this way, duplication has been kept at a minimum. Moreover, relatively few assumptions about the customer's already having a shopping plate have been incorrect. The few instances that have come to the attention of the stores concerned have been

easily remedied by the issuance of a new plate immediately upon receipt of inquiry or comment from the customer. Each of the six stores in the Washington group expressed exactly the same experience on handling of new accounts.

Question: Are there many shopping plates used in stores where customers do not have accounts?

Group reports: All Washington stores have opened many new accounts through sales checks imprinted with shopping plates. The no-notch plan makes this possible, and indeed expected. Compilation of each store's estimate of the number of accounts thus opened reveals about 15,000 accounts in the past year. So far, stores do not appear alarmed at these figures. During installation there were as many as 100 charge purchases a day for accounts not carried in that particular store. Now it has tapered off to about 20 a day at most in the larger stores and a correspondingly lower number in most of the others. Routine for handling is well established in each store. An account is set up and a credit report obtained. Most stores write the customer a new account acceptance letter. In the surprisingly few instances where a store does not want the account, special handling may be needed.

Comment: This feature always exists to some extent in a no-notch group operation and is generally recognized as a desirable feature inasmuch as only a small percentage of accounts opened in this manner would be rejected or unwanted. These could immediately be referred to the Collection Department for special handling and follow-up.

Question: Do the stores find that the coding on a new change of address plate made by another store is sufficient to identify the account? Do the stores' internal handling of changes of address in this manner result in a satisfactory method?

Group reports: The coding on change of address plates is sufficient to identify an account on which the change has not yet been received in a store. There is no difficulty at all in locating the account if the name is the same and the coding to show former address is correct. All stores agree on this point without any qualifications

(Turn to "Shopping Plate," page 30.)

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Two Versus Sixteen

Two Controls vs. Sixteen Controls for Cycle Billing

Samuel E. Collegeman

Credit Manager, S. Kann Sons Co., Washington, D. C.
General Chairman, 38th Annual International Consumer Credit Conference

FOR OVER two years we had been using a sixteen-control basis in our cycle billing system until recently when we changed to a two-control system. It is possible in this system to have a reduction in personnel, both in auditing and in the credit office and also, it would reduce the control clerk's time on her controls. In addition it would eliminate many hours spent in checking, only to find that the differences were caused by media being moved in and out of the sixteen cycles without first going through the proper controls.

In order to compare the two-control plan, it would be well to summarize briefly the steps previously taken under the sixteen-cycle plan. All sales check tally folders were received in the auditing office at the end of each day. Here, each envelope was inspected for missing sales checks and sorted into: Cash; Charge, C.O.D. and Will Call. Each department's sales checks were validated through a N.C.R. 6000 machine. During this process various totals were extracted dealing with charge sales, C.O.D. and Will Call sales. In addition, totals were also obtained on Federal, Maryland, District of Columbia Sales taxes, alterations, postage, discount and net department audited gross sales.

A second run of these sales checks was made on a N.C.R. Proof Machine which provided a separate total of each of sixteen mailing cycles plus C.O.D. and Will Call. The over-all total of the proof machine would balance out the first run total through the 6000 machine. Return sales were handled in much the same manner as charge sales and all media sent to accounts receivable. Totals for each cycle were entered by the control clerk and the sales checks distributed to the units to be filed into the account pockets. Cash receipts from the Credit Cashiers, after having been sorted into sixteen cycles and separate totals taken, were sent direct to the control clerk to be entered in the controls.

During the course of filing the media into the account pockets, it was necessary to throw out several hundred pieces daily due to misprints or no accounts being found. These throwouts were turned over to two look-up clerks who, after determining the proper disposition, would tape the media by separate totals of the sixteen controls. An additional operation was necessary by the control clerks to reduce the controls from which the media were taken and enter them into the controls where they belong.

I believe it would be well to explain just what we mean by current and future. On the first of the month all cycles, A through Z, are current, then on the second of the month, B through Z are current and A is future, the third day, C through Z are current and A and B are future. The next change takes place on the sixth of the month when C through Z are current and A, B and C are future. This system continues as each cycle closes.

Under the two-control plan, after the sales checks reach the auditing office in tally folders and are verified for missing sales checks, the following procedure is used. Each department's sales checks are sorted into five groups, namely, Cash, Will Call, C.O.D. Current and Future. They are validated through the N.C.R. 6000 machine as before and the various totals are extracted as in the 16-control system. In addition to these totals the Receivable checks are totaled as to current and future and marked accordingly.

A second run is not made through the proof machine as before but the Receivable sales checks are sorted into the 16 cycles and sent to Accounts Receivable. Upon receipt in Accounts Receivable the control clerk has to enter only two figures, current and future, which includes charges and credits. Under the 16-control system it was necessary to enter 16 figures of charges and credits.

The sales checks, credits and cash receipts, which come direct from the Credit Cashiers, are then distributed to the units for filing into the account pockets. Any misprints found during the filing can be readily moved into their proper cycle so long as they do not go from current into future or vice versa. Any error or new account media, thrown out because no account is located, is also disposed of the same day without having to go through the controls again.

Each day the totals of charges, credits and cash are posted to the control sheets which are current on this month and future on next month. The totals of the two control sheets should always prove to the general ledger. All through the month, as the cycles are billed and post sighted, the new balance totals are accumulated. At the end of the month, the billed total is compared with the current on this month's control total and any difference carried into the over and short control. This control is adjusted at the end of the year.

Since adopting the two-control plan considerable savings have been made in personnel and equipment as well as expediting the work. The two bank proof machines in our auditing office have been eliminated and a savings of at least one and a half persons. The sales checks and credits are sent to accounts receivable faster as it is not necessary to wait for the completion of all of the day's work. When auditing completes either the current or future work it is sent immediately to accounts receivable.

As a result of reducing the throwouts to a minimum, we have been able to eliminate one and a half persons in Accounts Receivable. Although operating under this system only since October, 1951, certain benefits are evident. This is in spite of other factors which may have handicapped the operation, such as merging our budget accounts with regular accounts, opening our new Kann's Virginia store and the Christmas season. *More and better results are expected as we become more acquainted with it.* ***



Credit Should Be Merchandised

Walter E. Reitz, Jr.

*Executive Controller, The Hecht Co., Washington, D. C.
Director, Controller's Congress, National Retail Dry Goods Association*

MERCHANDISING is a word that has been batted around the retail business for many years. It seems that it finally has been settled that merchandising means to buy and sell merchandise at a profit by one explanation, and to have the right merchandise at the right price at the right time by another explanation. In analyzing these two explanations they are identical, of course, always coming back to one fundamental requirement, which is timing.

Let us study the right merchandise at the right price at the right time theory and see just what it means. We in the retail business, for the most part, do not manufacture any of the merchandise and add little to its intrinsic value other than timing, with the possible exception of some alterations we might make to make the merchandise fit a particular need. These alterations, on the whole, do not increase the value of the merchandise, but merely maintain its value to the ultimate consumer. There are many ramifications to carrying out this objective, from advertising clear on through delivery. In analyzing these ramifications we find that in each case what we are selling is not merchandise, but service.

Today the customer can go into almost any department store and get the same quality merchandise, often the identical item, at the same price. But, she chooses one store over another because of the service she gets in the store of her choice. True, advertising and promotion of one store may be better as a drawing card to her than that of another store, but her initial visit can turn into many additional visits, or her subsequent visits can be few and far between, depending on the service she receives in the store. Now up to the point we have covered, we could say that we have been talking about merchandise, but we also could have been talking about credit. In fact, credit, like merchandise, must be of the right amount at the right time, when the customer wants it. This initial introduction to a customer must, by nature, be promotional but like merchandise it is in the final analysis a sale of a service, a sale based on quality, convenience and utility.

All of this is an elementary discussion, but then credit is an elementary factor. There is nothing complicated about it except we, through human traits, make it complicated ourselves.

Let us get down to the real elements of merchandising credit. First of all credit, like merchandise, must be promoted. It would be perfectly silly to put a blouse advertisement in the newspaper with just the words "We have blouses" or that "We have nice blouses," or that "Our blouses are better than somebody else's blouses," or that "You ought to buy blouses because wearing blouses is convenient." What we do in a blouse advertisement is we have a "gimmick," which is usually a sketch

of a blouse on a model, and then we write copy to tell all of the good features of the blouse. If the ad has the eye appeal and the blouse has the sales appeal and a number of blouses are sold, often the blouse ad is re-run and kept running until it has lost its sales appeal or gone out of season.

Credit facilities should be sold in the same way. Credit services should be sold and sold through newspaper advertising until the number of accounts being opened in this manner do not justify the cost of the ad. Of course it is perfectly silly to advertise the finest bathing suit in the world in New York when there is a blizzard outside. Bathing suits are advertised and sold best at a particular time of the year. When to advertise bathing suits is obvious so by the same token, there is a definite time to advertise the credit facilities. These times are at the beginning of a buying season like before Christmas, when the customer has the best reason for using the facilities, not immediately after Christmas when a lot of ads are put in just to use up the space or just to save our conscience that we advertise for new accounts several times a year. Each merchandise manager fights for advertising at a time when the market is best suited for his particular merchandise. Each credit sales manager should merchandise his advertising in the same manner.

Going on further with promotion, we in our store are using a number of stands on which customers can write out new applications while waiting for an elevator and the like. These stands were designed and built by the display department with the same care, the same ingenuity and the same eye appeal as a successful display for the selling of tangible merchandise. They are our greatest single source of new account applications. Merchandise presentation displays are designed to capture the impulse buying of a great deal of traffic brought into a department store by its direct advertising. These new-account stands were built and designed with the same thought in mind. They have paid for themselves many times over in the first year that they were in the store.

We have done a great deal of "shopping by television" advertising. We have promoted charge accounts and their facilities on these programs. Like merchandise, we sell our several plans, 30-day and budget, and we have opened accounts from this medium.

Our Credit Sales Manager (notice the word "Sales" in this important executive's title), gets proofs of all advertising before the ad is run so that he can make recommendations as to the by-lines for the selling of credit and credit facilities in all our advertising. Each and every bit of promotional effort dreamed up for selling and promotion of merchandise should also be investigated and thoroughly tested for the selling of credit facilities.

Let us talk about selling credit as we sell merchandise. Every interviewer who extends credit on a person-to-

person basis such as in most budget account departments, should be thoroughly trained in building up a credit sale. When a customer comes in for \$50.00 worth of credit, the interviewer has the greatest information in the world in front of her, the customer's credit history. It is sacrilegious for that customer to be given \$50.00 worth of credit if she cannot pay for it. This theory, of course, is well known because all of us practice it, but it is just as sacrilegious for a customer who can afford \$100.00 worth of credit to be given \$50.00 without an intensified effort on the part of the interviewer to sell her the other \$50.00. Every man that buys a suit is a potential customer for a topcoat and anybody would criticize a salesman who had sold a suit and had not tried to sell all the additional clothing that the customer would buy if it was demonstrated, shown and made appealing by the salesperson. If this is such an elementary fact, then we should do it in credit, not periodically but all the time.

Every store believes in comparison shoppers. These shoppers are often used to go in the store's own departments to find out if the salespeople are selling the merchandise in the most effective way, if they know what the material is made of, whether it is washable, whether it is a real value. Do most stores always have their shopper shop to see if the salespeople (the last 3 feet between the customer and a successful business) know all of our credit facilities and the service such facilities can give to their customers? Try it sometime, you will be amazed at the results. Have a shopper go into a department, pick out an expensive garment, have her buy the garment and then after she has bought it tell the salesperson that she is a little short on cash, did not expect to spend so much on this trip and cannot take it with her. I can tell you what you will find in many stores today. The salesperson will first suggest a Will Call Department, and then might further suggest that they send it C.O.D., or may even say she will hold it until the next day until the customer can stop in and pay the money. Very few of them will make a first suggestion of taking her to the credit office and helping her to open an account. So, like merchandise, credit has to be shopped.

Most stores have for a long time known that it is important for the expert on merchandise to talk to the salespeople about merchandise in stock, so that they will be well informed when a customer asks obvious questions or when a customer has to be sold on the merits of the merchandise. This expert is usually the buyer who has built up through years of experience, information from the market, etc., that enables her to do this. Most stores demand that the buyer speak to the salespeople in a meeting at least once a week. This buyer is not an expert on credit facilities, in fact she probably knows less about it than the salespeople. It is not her function and she certainly is not an expert on it. The credit sales manager is the expert and he should be constantly in the salespeople's meetings explaining the credit facilities of the store, explaining why a credit account is a great benefit to the customer, why the customer will be satisfied with it and explaining why a charge customer buys more in a given store than a cash customer. When he has sold his ideas to the salespeople and then kept them informed of changes in the facilities and additional selling points as they develop, he will be taking a tangible step toward selling credit.

The more we explore the parallel of merchandising merchandise and merchandising credit, the more similarity we find. Take markdowns as an example. The efficiency of a markdown picture is not measured in dollars and cents but as a percentage of sales. Obviously when we are talking about a figure as a percentage the more sales, the more markdowns in dollars can be taken and still have the same percentage. We have markdowns in credit. We call them bad debts. We might as well make up our minds that if we are going to have credit sales we are going to have bad debts, the same as when we have merchandise sales we have markdowns. There is a healthy markdown percentage for each department. If the markdown percentage is too low, usually you will find a stifling of business in the department; if it is too high, the department will be unprofitable.

The same thinking on markdowns should apply to bad debts. Just what the healthy percentage of bad debts should be I do not know because I have never heard of any research on this question. The credit profession should have long ago, clearly and without possibility of argument, established some percentage as being the right bad debt percentage for a store to get the most out of its credit sales. Any experienced merchandiser can tell you a good percentage of markdowns for any given department in which he has been trained and had experience in. True, there is variation to a good percentage depending upon the store, kind of merchandise, etc. It certainly is not the smallest percentage obtainable, no more than the smallest bad debt percentage obtainable is right for any given store. If you want to have a zero bad debt percentage it is easy. Just do not sell on credit!

I have heard a lot of bragging from credit people about the low bad debt percentage in their store. I have heard little bragging from credit men on the amount of business they have been able to build the average account up to or the increase in percentage of total store business being done on charge accounts. I certainly do not believe that we are in a business of having a low bad debt or a low markdown percentage. We are in business to sell merchandise and services at a profit.

Cycle billing, collection percentages, bad debt percentages and the other technical hobble gobble is important. But basically the primary importance of any credit department is its contribution to the aims in which the store is directed and that is the selling of merchandise at a profit. All of us, no matter what our capacity, must remember only one fundamental principle, that we are a *selling organization* and that means all of us!

Selling merchandise and selling credit go hand in hand as one obviously is of little benefit without the other. One is the heart of the business and the other is the lifeblood. It makes no difference which is which, the important thing is one is of no value without the other. True, a body can get on with less blood than it normally has but it will not be a healthy, strong, dynamic body without the right amount of blood. It is possible to go to a specialist if you have heart trouble or another specialist if you have blood trouble, but they both fundamentally are members of the medical profession. We have credit managers and we have merchandise managers, but both of them must be members of the same profession. This profession is *selling!* ★★★



Today's Challenge to the Credit Sales Manager

J. P. Stedehouder

Credit Sales Manager, Lansburgh & Bro., Washington, D. C.

WITH COSTS increasing and profits declining, credit management which handles the largest percentage of our firms' business has more of a challenge today than ever before. It is up to us to show our management that the Credit Department is a sales division of tremendous proportions. Too frequently, we do not make ourselves heard because of the pressure of detail, personnel problems, etc., which can too easily consume our time and attention.

One of the prime requisites for a successful credit executive is that he must be sales conscious! It is a proved fact that a large volume of plus business can be obtained by tying in merchandise with credit promotions. Likewise, by tying credit in with merchandise promotions. For example, tell your customers about your remodeled floor or selling department or new style merchandise, mentioning hats, dresses, accessories at Easter time—furniture, children's clothes, etc., at the beginning of the fall season in your letters soliciting new accounts. When a merchandise promotion is planned, tie in the opening of new accounts. Make sure that newspaper advertising carries "slugs" suggesting the opening of accounts, by phoning a particular person who may very well be named "Miss Black" or filling in an attached coupon and mailing it. In either case, make it simple for the customer if you expect to get results. No one likes a lot of "red tape."

The Credit Department is the very nerve center of every organization. It is the hub of public relations, where every person should be a specialist in making friends and customers for the store. This is proved by the fact that thousands of customers arrange for regular charge accounts and for budget accounts before they have even looked at any merchandise. It is for this reason that your new account interviewers must be chosen carefully and trained thoroughly. They must be made to realize that they are good-will ambassadors for your store, and that the impression they make on the customers will definitely influence their feelings about your entire store. Indeed, if the interviewers are not gracious and tactful, it is possible that many customers may not ever return, even though an account is opened for them.

Every credit department should encourage this phase of obtaining new business. There is no one in a retail organization today who has more responsibility or opportunity for obtaining sales and making money for the business than the credit sales manager. Make every single person in your department "Sales Conscious" and "Public Relations Minded." The actual appeal, regardless of what medium of contact is used, must be specific, concise, convincing, and a good-will builder.

Every credit department should be kept abreast of, and actively coordinated with the tempo of the store or business supporting it. Furthermore, it should and must

broaden the patronage and thereby increase the profits of its organization. It should not be looked upon as a record-keeping division, but as a sales department, creating good-will and carrying its share of the responsibility in the operation of the store. Surround yourself with good people and they will give you more time to think and more to think about, all of which means a more successful operation.

Train, then re-train your people continuously. Discuss the problems at hand or that might arise in your everyday operation. Encourage everyone to think and make suggestions. You will find that many worth-while ideas will come from even your newest employee. It will also bring home to them more firmly than anything you can say, the great importance of their work and the manner in which it should be handled. You will find they are happier because they are recognized and their opinions are sought. "A happy crew makes a happy ship" and a smooth sailing one. And just as important, do not be afraid to delegate authority and responsibility. You multiply yourself every time you do.

Make your plans well in advance for the promotions you want to carry on, for the solicitation of inactive accounts and procurement of new ones. Credit sales promotion is an art and should be given serious consideration by those who delve into it, for we must remember that there is both good advertising and poor advertising and the cost is the same.

At this point let us start thinking about our active accounts. We all agree that steady customers are the life blood of every business. They are the ones who bring us the repeat orders whether the merchandise is on sale or not. They are also the ones who give us the best and cheapest advertising ever received. We have always heard that the three best mediums of communication are "telephone," "telegraph," and "tell a woman." By doing everything we possibly can now to insure that our accounts stay active, we will prevent much loss of good business later on. How large would your business be if you had never lost a customer?

Make sure that your statements are mailed promptly every month and that the bills are correct. Check your medium of authorization to prevent delay in credit approval and unnecessary irritation and embarrassment for the purchaser. Make sure that the addresses are changed promptly and correctly to avoid unnecessary returned mail, thus preventing customer dissatisfaction because of statements not being received promptly.

Check the "little used" accounts of \$10.00 to \$15.00 monthly purchases. Increase the sales to these customers by advising them through the use of personal letters, brochures or telephone contacts regarding sales in your strong departments. Make every effort to interest them in using the departments in which they have not been in the habit of shopping.

Too frequently we forget that many accounts become inactive because of an inefficient or too severe collection policy. The functions of that department must be in tune with the credit sales thinking of your organization. Do not lose good-will with the resultant loss of sales through a procedure that is on a one-way track, that of obtaining your money only. Check every detail, letter and function performed in your collection department. Make sure that every member of your staff realizes that his duty is not just to collect money due but to perform that function in such a way as to maintain the good-will of the customers. An efficient collection policy will bring in your money and maintain a friendly atmosphere between the purchaser and yourself. Never permit cold, stereotyped, feelingless contacts to be made. In addition to checking your letters and form notices frequently, make sure your people who contact the customers in person or by phone know what to say and how to say it and that they use the proper intonation of voice. These factors will not only be instrumental in effecting collection, but will also maintain the customer's good-will. A good test of this would be to place yourself in the customer's shoes. How would you react if you were the recipient of the communication or the call? Remember, a customer whose account is in good standing is in an "open to buy" frame of mind. Keep her that way.

Establish a definite plan for promoting the activation of these accounts. Sufficient records should be maintained to make sure that the expense of such promotion is justified and that you are getting the most for your dollar. Start early by sending a message imprinted on

your blank monthly statements to the customers. Be sure to send all of your "Special Sale" notices and a credit card, if you use one. These messages may be imprinted on the statement every month in which the customer misses buying from you, thereby preventing loss of many accounts which would otherwise normally just drift away.

Establish a regular series of letters and see that the letters are mailed to the customers punctually, once every thirty days for three months, especially if no purchases have been made within the previous four to six months. Some stores use sixty days as a basis for starting a letter-writing campaign, others up to six months. This would depend upon your location, type of merchandise handled and store policy. Your letters should be warm, conversational and friendly. Much attention should be given to the drafting of them.

The messages contained on your blank statements and letters will bring a few grievances from the customers, most of them of minor nature, never having been reported to your firm. This will give you an excellent opportunity to make amends and establish a personal bond of friendship.

In our experience we have found that imprinted statements and advertising media have helped immeasurably in keeping accounts from becoming inactive and secondly, the use of a series of letters sent at thirty-day intervals, started four to six months after the date of the last purchase, has brought very good results. Seasonal letters, such as Easter, vacation time, back-to-school events and Christmas, should never be overlooked. These letters will appeal to the customer's vanity and will help to promote that personal feeling.

Many customers now find that a budget or deferred payment account enables them to purchase large ticket items, i.e., furniture, electrical appliances, radio and television sets, without depleting their savings. In many cases, it is, therefore, profitable to solicit them to make greater use of your deferred payment plan. A definite procedure must be established for the promotion of this phase of your business in the same way that you have done for the thirty-day accounts. A suggested plan would be:

1. Go through all of your present active accounts and classify them as to type of merchandise previously purchased.
2. Prepare a series of letters thanking the customer for prompt payment. These letters should be mailed to the customer when the account has reached a point where only a few monthly payments remain to be paid. At that time, it is good to send a letter thanking the customer for the satisfactory manner in which the payments are being made and acquainting her with special sales being held in the large unit departments in which she might be interested. A second letter should be sent thirty days later and a third letter after the account has been fully paid. Follow the same theme as mentioned above.
3. Prepare a list of the satisfactory paid-up accounts and give these to your salesmen in small groups for personal contact. This is especially lucrative in the (Turn to "Today's Challenge," page 30.)

America's Largest Manufacturers of

CREDIT PAYMENT PASSBOOKS

and LEDGER CARDS for MACHINE POSTING and HAND POSTING

We manufacture the largest and most complete line of credit and layaway plan passbooks and ledger cards in America—serving 5,000 credit accounts.

WILLIAM EXLINE INC.

1270 ONTARIO ST.

CLEVELAND 13, OHIO

A Sound Credit Policy for the Small Businessman

J. C. Dockeray

Office of Small Business, National Production Authority
Department of Commerce, Washington, D. C.



SINCE FOR many retailers credit is a matter of business necessity, it is important that it be entered into only after careful planning. Any credit policy to be worthy of the name "policy" must be planned. It should not be permitted to be a product of simple growth. True, it is to be expected that experience will develop desirable modifications of any policy, but the initial policy should be thoughtfully developed and subsequent changes should be made only as experience dictates.

It is to be presumed that in fixing the initial credit policy along sound lines, careful attention will be given to such factors as the following:

(1) *Nature of the product.* Credit terms which are suitable to the sale of consumer durables are not suitable for the sale of those items which perish in their initial use. In one case there is an asset of declining value which will offer a measure of security. In the other case there is nothing available except the credit rating of the individual who is doing the purchasing. Likewise, the relatively high price of many durable goods may make credit even more necessary than is true of soft goods.

(2) *Who are the customers?* The clientele which the small businessman expects to enjoy will color materially the type of credit he can profitably extend. If the prospective customers are employed in steady jobs not given to marked cyclical fluctuations or seasonal unemployment, or if they are business or professional men, it may be possible to extend credit for somewhat longer periods of time and with less risk. On the other hand, if they represent individuals whose employment fluctuates materially and who are given to living from pay day to pay day, and that pay day is weekly, then the credit terms should reflect this fact.

(3) *Competitive situation.* Any community is likely to have a customary way of doing business. Credit terms are extended in accordance with the business situation or as a reflection of the many variables determining what makes a workable policy. No retailer can differ too much from this practice unless he is able to find some offsetting means of competing. If credit sales are virtually universal, a cash business can be used only if special advantages are offered, and if 60-day terms appear to be the rule, rigid adherence to 30-day terms may prove undesirable.

Once a credit policy has been determined, the businessman must turn to the problems involved in the practical operation of his credit system on a day-to-day basis. The credit policy may be administered through the application of accepted and tested principles developed through years of experience. These may be summarized as

- 1) Obtaining and using credit information
- 2) Definite credit terms

3) Prompt follow-ups

4) Systematic collection procedures

It is often said that no businessman's judgment is any better than his information. This is definitely the case in credit granting. While customers may have assets as a form of security or while the product itself may give security at times, the fact remains that the most important consideration is the customer himself. If the customer has good credit paying habits, recognizes his personal obligations and has a regular income, no great risk is involved in selling him on credit providing the amount of that credit is appropriate to his means.

The first step in getting information is, of course, obtaining an application for credit directly through an interview with the would-be customer. This should be done on a friendly but systematic basis. Most certainly no credit should be granted on a simple request unsupported by information relating to the customer's employment, income and other credit accounts. Having taken an application, there is a need for further investigation for purposes of verification and to fill in gaps in the information. In the smaller cities, the businessman may telephone other businessmen to learn the paying habits of the customer, but in a majority of the cities and in all large cities, he will find it both more convenient and economical to do his checking through the local credit bureau. Such bureaus may be run as a cooperative organization by the merchant members or they may exist as private businesses themselves. In either case, they provide a simple means of obtaining additional information concerning the customer's credit position.

Sources to Obtain Information

Many sources are contacted by the bureau to obtain credit information. The method is superior to any mere checking of references, for the whole picture—good or bad—is reported. Courthouse records are checked for such items as chattel mortgages, liens, bankruptcies, and deeds. Police records are noted and newspaper items containing vital facts are clipped and placed in the permanent record. This means that by calling the credit bureau, the businessman can secure from a single source all the information he needs to extend credit wisely. In addition, he learns the actual experiences that other merchants (both in his own city and elsewhere) have had with his prospective customer.

This information can be obtained orally or in written form from the credit bureau. For small amounts of credit, or a rush report, a simple oral report may be enough. In cases where a large amount of credit is involved or where a permanent record should be filed with the original order, a written report may best serve the purpose.

Having obtained the desired information by personal effort or from a credit bureau, it is necessary to arrive

at a conscious decision in relation to each applicant. This decision takes the form of determining the amount of credit that will be extended and for what period of time, both of which decisions must be made within the framework of the basic credit policy of the store. No credit granting should be on completely open-end terms either in amounts or on payment dates. The more definite the agreement as to the period when any account is due and the more definite the understanding as to the amount which will be extended, the greater the success of the program. It follows from this, moreover, that whenever the terms are violated the businessman should make a prompt follow-up on the customer to determine the reason for the delay.

Some large retailers selling on 30-day terms are inclined to permit the 30-day lag before follow-up. Often the smaller retailer is financially unable to do so or is dealing with a clientele where this would be an unwise procedure. If the follow-up indicates the delay is beyond the control of the customer and that he is honestly and conscientiously trying to meet his obligations, suitable adjustments should be made in the terms of payment so as to assist him in meeting his obligations. On the other hand, if the follow-up indicates unwillingness rather than inability, then prompt steps should be taken to force collection.

The initial collection efforts should be little more than an inquiry in terms of phone calls and letters. But depending upon the customer's response or the reasons for the delay, the follow-up made by the merchant should become more insistent. If the merchant's efforts are un-

successful, he should refer the case to a recognized collection agency.

Collection agencies specialize in collecting past-due accounts through working procedures and methods which have been developed over the years for the handling of individual types of default. Moreover, collection agencies have facilities for collecting accounts no matter where the debtor may have moved in the country and they can do this more easily and more effectively than any individual retailer can do. No charge is assessed unless payment is received and while the charge may appear substantial the recovery is always far larger than if the action had not been taken.

Use of a collection agency also offers the advantage of separating the merchant from the sometimes distasteful job of collections, and through this disassociation plus the efficiency of the better agencies, it is sometimes possible to collect the account without the loss of the customer.

While the foregoing basic requirements for sound credit selling are widely known, they are not followed as widely. Firms which would hesitate to cut established prices will sometimes adopt unsound credit policies under the stress of competition. The losses from poor pricing are real, immediate, and obvious. The losses from poor credit policies are no less real, but they are delayed in their impact and concealed by the higher sales volume which may accompany the loose credit policy. It is the eventual loss which is certain to result from unsound credit policies which is perhaps the most serious hazard.

A second hazard is the possibility that unwise credit policies may result in a serious shortage of working capital. All expansions in sales volume require financing, but credit sales require amounts directly related to the terms of sale. Installment sales will call for more working capital than charge account sales. Sales to marginal risks will call for more capital than sales to approved risks. This will be true because of higher credit losses and slower payment.

A third hazard of unwise credit policies is increased vulnerability to business recession. Business recessions always slow down collections on receivables and increase loss ratios. This is true to a degree even when the accounts have been selected with care. It is true to a far greater degree when the accounts have been obtained with little or no selection.

A fourth hazard is that loose credit terms may result in an unintended change in type of trade done by the business. It is possible to run a profitable, all-credit, "No down payment, \$1 a week" type of business with proper pricing and rigorous follow-ups on past-due accounts. This type of business has its place, but it naturally receives an entirely different class of patronage than the business operating on more conservative credit terms. If competition causes a firm to adopt extremely liberal credit policies, it should realize that it will attract a different class of customer and risk the loss of at least part of its existing clientele. While this may not be undesirable profit-wise, its possibility should be clearly understood.

The fifth, and last, hazard to be mentioned here, is the fact that credit selling not based upon a proper evaluation of ability to pay represents an undesirable addition to inflationary forces. Such forces will be likely to make any recession in economic activity more severe both in degree and duration. ★★★

CREDIT MANAGER OF A LARGE PENNSYLVANIA STORE WRITES:

"Contrary to reports that we hear from various sections of the country, our collection percentage on regular accounts has shown an increase for the last six months over the comparative months for 1950.

There is no question but that Reply-O Letters are a contributing factor. A careful analysis shows that they lead our other collection forms both from the standpoint of response and also dollars and cents return."

You too, can step up your collections with Reply-O Letters. Let us send you samples and information.

USE REPLY-O LETTERS!



LOCAL ASSOCIATION

Activities



Baltimore, Maryland

At the annual meeting of the Retail Credit Association, Baltimore, Maryland, the following officers and directors were elected: President, Robert L. Bruchey, The Hecht Co.; Vice President, John J. Lurz, O'Neill & Co.; Treasurer, Robert L. Carmichael, Gomprecht & Benesch; and Secretary, Charles F. Roycroft, Credit Bureau of Baltimore. Directors: Herman A. Dorsch, N. Hess' Sons; Ellis A. Epstein, Hochschild, Kohn & Co.; Bernard W. Huffman, C. Hoffberger Co.; Charles E. Merit, Wonder Clothes Co.; H. Lee Muse, Consolidated Gas, Electric Light & Power Co.; Eugene J. Sapp, Wetzler's; Robert B. Thomas, Hutzler Brothers Co.; and Fred W. Ellinghaus, The May Co.

Austin, Texas

The Retail Credit Executives of Austin, Austin, Texas, have elected the following officers for the ensuing year: President, George Moore, The Steck Co.; Vice President, John W. Bode, Capital National Bank; Treasurer, Mrs. Lois Huey, Austin Finance Corp.; and Secretary, Mrs. Horace C. Barnhart, Retail Merchants Association. Directors: Kelso Dabney, Reynolds-Penland; Betty Ryan, Charles P. Davis Hardware Co.; Amye Hamilton, Southern Union Gas Co.; Pent Lindgren, T. H. Williams & Co.; and Walter E. Orr, Austin National Bank.

Edmonton, Alberta, Canada

Following is a list of the new officers and directors for the Credit Granters' Association of Edmonton, Edmonton, Alberta, Canada, for the coming year: President, R. O. Soley, Johnstone Walker Ltd.; Vice President, Roland Hancock, Hancock Lumber Co.; and Secretary-Treasurer, C. H. Williams, Credit Bureau of Edmonton. Directors: Douglas Brown, Imperial Oil Ltd.; E. Preddy, Imperial Bank of Canada; Mrs. Jessie MacPherson, Walk-Rite Ltd.; A. Knowler, H. Kelly & Co. Ltd.; D. Wolochow, Henry Singer Ltd.; Miss B. Campbell, National Home Furnishers; and Eleanor Turner, Credit Women's Breakfast Club.

Salt Lake City, Utah

The officers elected at the annual meeting of the Credit Bureau of Salt Lake City, Salt Lake City, Utah, for the ensuing year are: President, Arthur Ridd, Continental Bank & Trust Co.; Vice President, Kenneth Matheson, Tri-State Lumber Co.; Treasurer, Joe Sehee, Less Taylor Motor Co.; and Secretary, Harry P. Earl, Credit Bureau of Salt Lake City. Directors: Clary Crooks, Salt Lake Tribune-Telegram Co.; S. Heber Kimball, H. Dinwoody Furniture Co.; Vernon Best, Utah Oil Refining Co.; Roscoe Grover, First Security Bank of Utah; Harold Lambert, Burton Lumber & Hardware Co.; and Wendell Romney, C.Z.M.I.

Abilene, Texas

At the annual meeting of the Abilene Retail Credit Managers Association, Abilene, Texas, the following of-

ficers and directors were elected: President, W. E. Perkins, Connally Stephens Co.; First Vice President, George Ingle, Jr., E-Z Credit Co.; Second Vice President, Mrs. C. R. Gaskill, Minters Dry Goods; Secretary, H. S. Strain, Allied Credit Co.; Assistant Secretary, Alice Chapman, Crain Pharmacies; Treasurer, Elvin Grinnell, Abilene Builders Supply Co.; and Assistant Treasurer, Mrs. Lola Cochran, Merchants Budget Loan Co. Directors: C. E. O'Kelley, Crain Office Supply; Calvin Campbell, D & W Tire Co.; Lloyd Waddington, Waddington's Ladies Ready to Wear; Marvin Imken, Fraley & Co.; Mrs. Ruby Johnson, Lintz Department Store; Virginia Mann, Lesters Jewelry; H. V. Richards, Ernest Grissoms; and D. G. Webb, Longhorn Creamery.

Roseburg, Oregon

The following officers were elected for the Retail Credit Association of Douglas County, Roseburg, Oregon: President, S. V. O'Reilly, Farm Bureau Cooperative Exchange; Vice President, Don Wright, Interstate Tractor & Equipment Co.; Secretary, F. G. Stewart, Douglas Credit Bureau; and Treasurer, Mrs. Marion Snyder, Lockwood Motors.

Sioux City, Iowa

The Sioux City Retail Credit Association, Sioux City, Iowa, has elected the following officers and directors for the ensuing year: President, Kenneth Pillar, Woodbury County Savings Bank; Vice President, Ray Bentson, Iowa Public Service Co.; Treasurer, Carley Keil, Bekins Furniture Co.; and Secretary, Leonard Corkhill, Credit Bureau of Sioux City. Directors: Howard Wahl, Edwards and Browne Coal Co.; Audrey Pitner, Spalding Avery Co.; Madeline Cormany, Tweed's Ready to Wear; O. B. Rook, O. B. Rook Cash Coal Co.; E. L. Von Behren, Burnett Motor Co.; and Gertrude Brown, Mazie's Ready to Wear.

Corpus Christi, Texas

At the annual meeting of the Credit Executives of Corpus Christi, Corpus Christi, Texas, the following officers and directors were elected: President, Thomas C. Walker, Central Power & Light; Vice President, L. M. Monroe, Gulf Chevrolet Co.; Secretary, Mrs. Nita Cook, Julian Gold, Inc.; and Treasurer, Mrs. Alma Kellow, Buttrey's. Directors: M. L. McHenry, Gillespie Buick Co.; C. M. Marshall, The Borden Co.; Reba May, George Jones; and R. T. Massey, Shaw Jewelry.

Everett, Washington

The Associated Retail Credit Managers of Everett, Everett, Washington, have elected the following officers and directors: President, Carey Raymond, Snohomish Co. Public Utility District; Vice President, Harry Williams, Sears Roebuck & Co.; and Secretary-Treasurer, Helen B. Sawyers, Credit Bureau. Directors: Signe Hjermstad, Chaffee's Ladies Apparel; and Bess Woods, Everett Clinic.

Low-cost Microfilmer designed for small retail stores..

If you have 3,500-5,000 charge accounts, the Recordak Junior Microfilmer will give you *all* the advantages of Recordak Photographic Billing at minimum operating cost.

With this versatile "table top" microfilmer, any clerk can photograph sales checks and other media simply by pressing a button. And to read your film records, you merely lower the projection screen, which is an integral part of the machine.

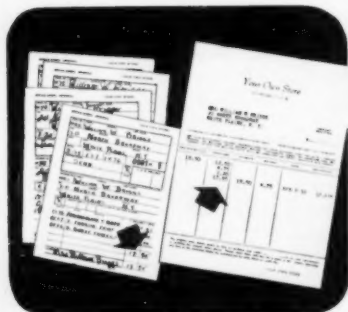
Thus, in one compact unit—you get all the microfilm equipment you need to eliminate the costly descriptive billing practice . . . to save time and money on every bill . . . to increase efficiency and protection to a really remarkable degree.

*Now look at the surprisingly low cost—*The Recordak Junior Microfilmer you see on the right (Model JC-1) can be purchased outright for \$1250 . . . and you will receive one year of maintenance service—including parts replacement—at no additional cost. *Or it can be rented for \$20 per month . . . including maintenance service and necessary parts replacement.*

Film costs are another surprise—you can record thousands of documents on a 100-ft. roll of 16mm. Recordak Microfilm for only \$3.50, including processing. Thus, the total cost—whether you buy or rent—will be far outweighed by your new savings. *Ask any one of the hundreds of stores now using Recordak Photographic Billing!*

All prices quoted are subject to change without notice.

Gives you all the advantages of Recordak Photographic Billing



Savings on every bill . . . because it's only necessary to post sales-check totals, credits, returns, on "charge account" statements. Original media are microfilmed and forwarded to customer—eliminating costly description of individual items, tax entries, etc.



Posting operations are reduced 85% . . . which enables your billing clerks to handle many more accounts with greater accuracy . . . to take seasonal peak loads in stride. And girls who never saw a billing machine before can become efficient billers almost overnight.



Adjustment traffic is greatly reduced because your bill, which includes original sales checks and other media, answers customer-questions in advance . . . shows who bought what . . . when . . . and where the merchandise was sent. Everything there—authenticated by signature.



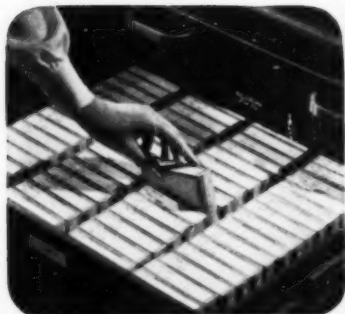
The Recordak Junior Microfilmer—photographs sales checks and other media *instantaneously*—for a fraction of a cent apiece.

(Subsidiary of Eastman Kodak Company)

**originator of modern microfilming—
and its application to retailing**

"Recordak" is a trade-mark

FREE NEW FOLDER, "Make Your Sales Checks Work For You," shows how retail stores of every size are cutting costs with Recordak Photographic Billing.



Greater protection...because your photographically accurate Recordak microfilms can't be changed without detection...can be vault-stored in approximately 2% of the "paper" filing space. A fact that has led many insurance companies to reduce "Accounts-Receiveable" premiums.

MAIL COUPON TODAY

RECORDAK CORPORATION
(Subsidiary of Eastman Kodak Company)
444 Madison Avenue, New York 22, N. Y.

Gentlemen: Please send me a free copy of "Make Your Sales Checks Work For You," and complete details on the Recordak Junior Microfilmer.



R-4

Name _____ Store _____

Street _____

City _____ State _____

Credit Women's Breakfast Clubs of North America

14th Annual Conference
Statler Hotel

Washington, D. C.
June 22-26, 1952



Nelle Stombs
First Vice President
Rock Island, Ill.



Mrs. Mabel Bliss
Second Vice
President
Portland, Ore.



Mrs. Cammie Lee
Hollis
Recording Secretary
Atlanta, Ga.



MRS. LOIS HUEY
President
Austin, Texas



Dell Gallat
Corresponding
Secretary
Austin, Texas



Marjorie H. Gilton
Financial Secretary
Des Moines, Iowa



Mrs. Helen S. Pease
Treasurer
San Francisco, Calif.

Sunday, June 22 . . .

9:00 A.M.—Registration.
12:30 P.M.—PRE-CONFERENCE BOARD LUNCHEON MEETING,
INTERNATIONAL OFFICERS, CHAIRMEN, DISTRICT
PRESIDENTS AND INTERNATIONAL PAST PRESI-
DENTS, *Council Room*.

Monday, June 23 . . .

7:45 A.M.—ANNUAL BREAKFAST, *Presidential Ballroom*.
10:00 A.M.—FIRST BUSINESS MEETING, *Presidential Ballroom*.
8:00 P.M.—CRUISE DOWN THE POTOMAC ON THE S. S. *Mt. Vernon*.

Tuesday, June 24 . . .

8:45 A.M.—GENERAL SESSIONS, *Presidential Ballroom*.
2:00 P.M.—GROUP MEETINGS.

Wednesday, June 25 . . .

8:45 A.M.—GENERAL SESSIONS, *Presidential Ballroom*.
2:00 P.M.—GROUP MEETINGS.
6:00 P.M.—DINNER AND SECOND BUSINESS MEETING, *Presidential Ballroom*.

Thursday, June 26 . . .

7:30 A.M.—BREAKFAST FOR NEWLY ELECTED INTERNATIONAL
OFFICERS AND JUNIOR PAST PRESIDENT, *Capital
Room*.
8:45 A.M.—GENERAL SESSIONS, *Presidential Ballroom*.
12:00 M.—POST-CONFERENCE BOARD LUNCHEON MEETING,
Council Room.
2:00 P.M.—GROUP MEETINGS.
7:00 P.M.—GRAND BANQUET, *Presidential Ballroom*.

COMMITTEE CHAIRMEN



Edna Short
Pin and Emblem
Fort Smith, Ark.



Mrs. Myrtle
Ecttridge
Educational
Denver, Colo.



Mrs. Caroline K.
Harmon
Future Advantages
Troy, New York



Louise Walker
Historian
Danville, Va.



Mrs. Pat Hughes
Constitution &
Bylaws
Birmingham, Ala.



Francie E. Rowe
Nomination
Washington, D. C.

DISTRICT PRESIDENTS

Credit Women's Breakfast Clubs of North America

THE DISTRICT PRESIDENTS, by virtue of their offices, are Directors of the Credit Women's Breakfast Clubs of North America. The International officers are proud to have this opportunity to give recognition to this group of district officers who have served during the past year.

THESE OFFICERS have performed their duties befitting the Creed, principles and purposes of our organization and have directed the activities of the thirteen districts with such efficiency that our clubs, districts and the International have been greatly benefited from their services.

MRS. LOIS HUEY, President
Credit Women's Breakfast Clubs of North America



Darleen E. Crocker
District One
Portland, Maine



Mrs. Caroline K. Harmon
District Two
Troy, New York



Mrs. Frances W. Teter
Dist. Three & Four
Nashville, Tenn.



Rita F. Barnes
District Five
London, Ont.,
Canada



Mrs. Nelle Hudkins
District Six
Lincoln, Nebraska



Mrs. Una M. Pearson
District Seven
Fort Smith, Ark.



Mrs. Blanche Bunch
District Eight
Fort Worth, Texas



Mrs. Ruth Brown
Butler
District Nine
Albuquerque, N. M.



Mrs. Alta Myers
District Ten
Salem, Oregon



Mrs. Lucille T. Drew
District Eleven
Long Beach, Calif.



Emma M. Gehris
District Twelve
Reading, Penn.



Mrs. Madalene Winrotte
District Thirteen
Gary, Indiana



Margaret Hickey

Hotel, Washington, D. C., Monday morning, June 23, 1952, at 7:45 A.M.

The breakfast promises to be interesting. It is the first opportunity to gather together and get acquainted and make new friends at the 38th Annual Consumer Credit Conference. To you men who do not have a Breakfast Club representative to invite you, consider

YOU Are Invited!

MEMBERS OF THE Credit Women's Breakfast Club of the Nation's Capital will be hostesses at the first International Bosses' Breakfast ever to be held. *Everyone is most cordially invited to attend.* It will be held in the Presidential Ballroom of the Statler

yourself invited right now. Naturally, all ladies, not already Breakfast Clubbers, are also most welcome.

The guest speaker for this big occasion is Margaret Hickey, Editor of the Public Affairs Department of the LADIES' HOME JOURNAL, who operates Miss Hickey's School for Secretaries, St. Louis, Mo. During the past four years she has traveled more than 150,000 air miles and addressed about 200 groups from United Nations gatherings to college graduation classes.

Members will not want to miss Miss Hickey's address as she is an outstanding speaker. Tickets for the breakfast must be obtained not later than Sunday, June 22, 1952. There will be well over 600 in attendance and the committee must know in advance the number planning to attend.

PROGRAM HIGHLIGHTS

38th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

The Hotel Statler, Washington, D.C., June 23-26, 1952

Tuesday Morning, June 24...

8:45—ASSEMBLY—PRESIDENTIAL BALLROOM, Hotel Statler

COMMUNITY SINGING

SONG LEADER, William R. Davies, Lansburgh & Bro., Washington, D. C.

9:00—CALL TO ORDER

"Welcome to the Conference"

Royce Sehnert, *The Wichita Eagle*, Wichita, Kansas, President, National Retail Credit Association.

INVOCATION

Rev. Frederick Brown Harris, D.D., Chaplain of the United States Senate; Pastor, Foundry Methodist Church, Washington, D. C.

IN MEMORIAM

Introduction of Mrs. Lois Huey, President, C.W.B.C. of N.A.; Ralph Kearns, President, ACB of A; Harold A. Wallace, Executive Vice-President, ACB of A; and Lindley S. Crowder, General Manager-Treasurer, N.R. C.A.

9:30—APPOINTMENT OF COMMITTEES:

CONSTITUTION AND BY-LAWS

CREDENTIALS

NOMINATING

RESOLUTIONS

(Annual reports of Officers and Finance Committee will be published in the July CREDIT WORLD)

9:40—**The Credit Forum**

Chairman, O. W. Frieberg, American Trust Company, San Francisco, California, Vice President, National Retail Credit Association.

PANEL—W. R. Arendt, The Credit Bureau of Greater Little Rock, Little Rock, Ark.

John F. Clagett, Clagett & Schilz, Washington, D. C.

J. C. Gilliland, Aldens, Inc., Chicago, Illinois

W. N. Gomon, Howse Company, Wichita, Kansas

Mrs. Lois Huey, Austin Finance Corporation, Austin, Texas, President, Credit Women's Breakfast Clubs of North America

Leopold L. Meyer, Meyer Bros., Inc., Houston, Texas

Paul M. Millians, Commercial Credit Company, Baltimore, Maryland

T. L. Robinette, The Robert Simpson Company Limited, Toronto, Ontario, Canada

William Stockton, The Atlantic Refining Co., Philadelphia, Pennsylvania

10:50—INTRODUCTION OF:

REPRESENTATIVES OF EXHIBITORS

11:00—"A Better Understanding"

Nathaniel Leverone, Chairman of the Board, Automatic Canteen Company of America, Chicago, Illinois

12:00 NOON—ANNOUNCEMENTS AND ADJOURNMENT

Wednesday Morning, June 25...

8:45—ASSEMBLY—PRESIDENTIAL BALLROOM, Hotel Statler

COMMUNITY SINGING

SONG LEADER—William R. Davies, Lansburgh & Bro., Washington, D. C.

9:00—RECONVENE

REPORTS OF COMMITTEES:

NOMINATING

CONSTITUTION AND BY-LAWS

CREDENTIALS

9:15—**Panel Discussion, "Building Credit Sales"**

Moderator, W. J. Tate, Charles Ogilvy Limited, Ottawa, Ontario, Canada, Third Vice President, National Retail Credit Association

PANEL—Foster R. Close, The Wm. Taylor Son & Co., Cleveland, Ohio

C. G. Kaessner, Kaufmann's Department Store, Pittsburgh, Pennsylvania

Hugh L. Reagan, The Cain-Sloan Company, Nashville, Tennessee

Chas. D. Reno, Scruggs-Vandervoort-Barney, Inc., St. Louis, Missouri

R. F. Sturdevant, The Crescent, Spokane, Washington

11:00—"Your Place in Retailing"

T. L. Robinette, General Superintendent, The Robert Simpson Company Limited, Toronto, Ontario, Canada

12:00 NOON—ANNOUNCEMENTS AND ADJOURNMENT

Thursday Morning, June 26...

8:45—ASSEMBLY—PRESIDENTIAL BALLROOM, Hotel Statler

COMMUNITY SINGING

SONG LEADER—William R. Davies, Lansburgh & Bro., Washington, D. C.

Educational Exhibits

Addressograph-Multigraph Corporation

Burroughs Adding Machine Company

Craig Machine, Inc.

Curtis 1000 Inc.

Farrington Manufacturing Company

Hodes-Daniel Company

Remington Rand, Inc.

Robotyper Corporation

TelAutograph Corporation

8:55—RECONVENE

9:00—Panel Discussion, "Credit Cooperation"

Moderator—Henry C. Alexander, Belk Brothers Company, Charlotte, North Carolina, Second Vice President, National Retail Credit Association

PANEL—Howard G. Chilton, Credit Bureau of Greater Fort Worth, Fort Worth, Texas
Albert J. Clark, The Emporium, San Francisco, California

N. B. Critser, The Credit Bureau of Madison, Madison, Wisconsin

Earle B. Dows, Minneapolis Collection Bureau, Inc., Minneapolis, Minnesota

Cyril J. Jedlicka, City National Bank & Trust Co., Kansas City, Missouri

J. D. MacEwen, Retail Credit Association of Portland, Portland, Oregon

Eldon L. Taylor, Glen Bros. Music Co., Salt Lake City, Utah

10:00—ACTION ON FINAL REPORT OF COMMITTEE ON CONSTITUTION AND BY-LAWS

ELECTION OF OFFICERS

10:30—"Profits Through Prophecy"

Bennett S. Chapple, Jr., Assistant Executive Vice President, United States Steel Company, Pittsburgh, Pennsylvania

11:00—AWARDS

Mrs. Lois Huey, President, Credit Women's Breakfast Clubs of North America

INTERNATIONAL ACHIEVEMENT AWARDS

Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America

MEMBERSHIP AWARDS

L. S. Crowder, General Manager-Treasurer, National Retail Credit Association

12:00—INTRODUCTION OF OFFICERS

ASSOCIATED CREDIT BUREAUS OF AMERICA

CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

NATIONAL RETAIL CREDIT ASSOCIATION

12:15—ANNOUNCEMENTS AND ADJOURNMENT

Suggestions for Delegates to The International Conference

MANY of the delegates attending the International Consumer Credit Conference at Washington, D. C., June 23-26, will have the obligation of reporting to their managements and local retail credit associations on the Conference. Relatively few of our members can personally attend the National Conference. A large number must therefore rely on "secondhand" reports of what happened.

All of us have listened at various times to reports by official delegates to conferences. Some of them are clear and helpful, many, however, uninteresting and too lengthy. The delegate, in presenting his or her report of the Conference to management or the home group, must do much selective screening.

Home audiences are not particularly interested in detailed reports of social events, and might be bored by a recital of unimportant and insignificant happenings. What they do want is a crisp summary of the highlights of important addresses, ideas gained at group meetings, and information on trade trends picked up in informal conversation with other delegates. The report will be more valuable if it gets across a few specific and definite points rather than presenting a scattered and unorganized set of general impressions.

Reporting on a Conference is a difficult and sometimes thankless task. However, if approached and prepared intelligently, it can be performed so that the benefits of the Conference are multiplied many times and spread over a wide area. It will also be much appreciated by those who hear it.

We suggest the report be divided into seven divisions, thus the summarized gleanings of the entire Conference can be briefed into a ten- or fifteen-minute review.

1. *General comments.* Size of attendance, representation, excellence of arrangements, banquet, etc.
2. *What's new?* Ideas gained, suggestions for improved procedures, credit sales promotion ideas, exhibitors offerings, expense reduction methods, etc.

(Turn to "Suggestions," page 30.)



Registration Blank

Washington, D. C., June 23-26, 1952

Registration fee \$15.00 for delegates and \$7.50 for wives and members of the families of delegates.

Name

Firm

City and State

Will attend sessions of Group

Date and Time of Arrival

My check is enclosed for \$.....

Make checks payable to The Credit Bureau, Inc., and mail to John K. Althaus, The Credit Bureau, Inc., 1221 G Street, N. W., P. O. Box 1617, Washington 13, D. C.

★ FOR THE SMALLER BUSINESSMAN ★

Sales Promotions—Office Procedures
Credit & Collection Problems

Attendance at Meetings Pays Dividends

WE WANT, this month, to talk about the desirability, and even the necessity, of smaller businessmen giving active support and cooperation to the local retail credit association and attending the meetings regularly. Such active interest definitely pays dividends; it puts "dues" to work.

The job of extending credit, whether in a large store or in a small one, in a big city or a small community, is a difficult one. Getting the maximum amount of credit business, with the minimum of credit losses, calls for much skill and knowledge. Those having the responsibility for credit extension need all the help they can possibly obtain.

Especially is this true of the smaller business establishment where often a person "slips" into credit work and has to pick up the necessary skills and abilities through trial and error and day by day. Training for credit work is still largely "on the job." Credit associations, through their educational projects and sponsorship of credit schools, offer valuable, and indeed often the only, opportunities for self-improvement.

An important part of credit analysis, for example, is the measurement of each credit applicant against the backdrop of business trends and conditions generally. Credit granters are dealers in futures; forecasters of what conditions are likely to be when the debt matures. Credit association meetings are among the best sources of information and opinions concerning business trends and employment possibilities and the like. Thus credit decisions are made on a sound and informed basis.

Informal chats with other credit granters in various lines of business at meetings yield valuable pointers and hints about this and that . . . important in the essential "keeping thoroughly posted" part of credit work. Then, again, knowing other local credit granters, office assistants, and credit bureau personnel, has tremendous advantages. More than one credit manager has recited instances in which information developed at meetings has been of immense value to him. Occasionally special "inside track" information can be obtained largely because of personal acquaintance.

Credit work is a highly specialized field. Because of this it is a pleasant relief to mingle periodically with other credit granters who face similar problems and perplexities and who speak the same language. Not the least valuable by-product of active participation in association activities is the development of strong and lasting friendships arising out of casual conversations. All of us need to talk "shop" occasionally with an understanding listener. Perhaps even to cry on a friendly shoulder.

That "a chain is no stronger than its weakest link" is particularly true in retail credit. The steady improvement of credit conditions locally is helped by the encouragement of attendance at local meetings by those few who tend to adopt unsound and unwise credit practices. Close association of all credit granters in a community means that the principles of sound credit are constantly reviewed and emphasized. Where there is a general cooperative effort to improve credit conditions by a free exchange of information, plus a spirit of willingness to work together, local credit flourishes in an atmosphere of mutual benefit and satisfaction.

Throughout the country local retail credit associations are devoting time at meetings to down-to-earth practical discussions of credit problems and procedures. Through panel discussions and forums actual routines and methods are analyzed and debated. Improved operations, greater efficiency and reduced expenses have often resulted from the adoption of time- and laborsaving ideas brought out at association meetings. One such idea leading to a better operation easily pays for several years' dues.

Specific collection problems of slow-pay customers, controlling overbought accounts, and the inevitable "skips" are discussed at meetings with valuable results in saving what might otherwise turn out to be credit losses. Details of rehabilitation of heavily involved customers are worked out to the benefit of both creditor and debtor.

Keep Pace With the Times

Smaller merchants, who would expand and develop, must be equipped to do a credit business to keep pace with the times. Customers demand the convenience of credit as part of a retailer's service. To perform their exacting responsibilities credit granters need close association with their fellows.

Now it may be that this article, like the complaints of the preacher of lack of steady church attendance, which usually reach only those who least deserve them, will not be read by those who would most benefit by it.

However, we shall be glad if by this brief discussion of the advantages of attending local retail credit association meetings we stimulate greater interest and participation in them. The smaller businessman, even though his credit volume be relatively small, needs knowledge and skill in handling credit and collection matters successfully. These can best be gained by attending local credit association meetings. In perhaps few other fields of business activity is it so necessary to maintain active contact with fellow workers as it is in retail credit management.



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Ten Cents for an Address

According to a recent order of the Federal Trade Commission neither ten cents nor any other price is right when the solicitation is accompanied by subterfuge. Order is against Robert O. Bennett and wife, trading as The National Service Bureau, Washington, D. C. Their



John F. Clagett

practice was to ask for the recipient's address, occupation, bank connection, etc., and state that upon receipt of the information a check would be forwarded "for a small sum of money deposited with us." Small indeed. Persons who returned the questionnaire, Commission found, were sent a check for ten cents, whereas no such sum of money had ever been deposited.

Findings indicate respondents mailed each week about 2,100 letters and received 700 replies. Order requires them to desist from the use of name "The National Service Bureau" or representing that money has been deposited for persons from whom information is requested unless it has in fact been so deposited.

Postmaster General's Reply

As reported in this column in the March issue, the Legislative Committee of the N. R. C. A. at its February meeting recommended to the Postmaster General that the word "address" be re-included on the postal money order form, as an aid to identification of remitters. A reply has been received and is unfavorable. Gist of reasons given is that checks, bank drafts, etc., received by stores are handled satisfactorily without provision for "address" on such instruments; and insertion of word on 400 million money orders issued annually would result in administrative burden overbalancing benefit to few. This department would appreciate comments as to suggested solution.

Fair Trade Versus Unfair Trade

This seemed to be the gist of a terrific clash of views before both the House Interstate and Monopoly Committees, concurrently considering revitalizing law permitting price fixing on branded products. Justice Department and Congressman Celler on behalf of the Administration have opposed; most industry groups via trade associations have favored. Spokesman for Macy's, New York, however, contended that "legal sanction to private price fixing merely spreads an economic umbrella over a favored few while the many stand out in the downpour of higher prices." Congressman Celler on March 11 introduced a related bill designed to cure one condition described as an evil by both proponents and opponents of

the proposed "fair trade" legislation, namely, a law to prohibit "loss leader sales."

Biggest question in current hearings on continuation of the Defense Production Act of 1950, centered on price controls. Industry groups almost unanimously favored eliminating price control provisions on the ground that they are unnecessary and unworkable, and in any event articles should be decontrolled when selling below ceiling prices, as many are.

Administration spokesmen also strongly demanded continuance of consumer credit controls. The United States Chamber of Commerce and other industry spokesmen seemed willing to sacrifice easing of consumer credit for concessions on price and wage controls. Chamber spokesman said indirect measures such as monetary policies, credit controls, taxation and savings are "the primary weapons against inflation," but price and wage controls should be permitted to die next June 30.

Senator Byrd Offers Alternate Budget

Appearing in the Congressional Record for February 19, 1952, only a condensation of the budget can be quoted here:

Categories	Requested by the President	Recom- mended alternate
(In billions)		
Interest, claims, judicial, legislative, etc.	\$7.3	\$7.3
Foreign aid:		
Military	8.0	7.9
Economic	2.5	-----
Foreign relations (including State Department)3	.2
Military Establishment	49.6	47.0
Military-related	2.9	2.8
Veterans	4.2	4.0
Domestic-civilian	10.6	7.6
Total	85.4	76.8

Will the members of the Congress achieve these economies?

Consumer Durable Goods "Production Report"

Feature of National Production Authority public relations and publicity is weekly 15-minute radio program, "Production Report." This program, a forum type discussion, recently featured the topic, "Consumer Durable Goods." Principal speakers were Harry J. Holbrook, Director of NPA Consumer Durable Goods Division, and Walter Reitz, Executive Controller, The Hecht Company, Washington, D. C. Programs developed fact that limitations on scarce materials, particularly a 14 per cent cut in copper and aluminum, have not affected either quantity or quality of durable goods items available to the public. Back-log of inventories, however, helped.

★★★

LEONARD BERRY

CREDIT SALES promotion is admittedly the most promising field for the fullest development of the credit executive's greatest opportunities. Credit sales promotion is his "plus factor." He is expected to do a competent "protective" job.

Successful credit sales promotion calls for the preparation and fulfillment of comprehensive and well-thought-out programs. Such plans call for much careful preliminary work, including analysis of probable results so the most economical use is made of each credit sales promotion dollar. Effective and appealing letters to credit account prospects must be written.

However, over and beyond those preparations something else is required for maximum success in credit sales promotion work. This is the necessity of securing the fullest possible cooperation from credit office personnel, and also from other store personnel. The best plans and the most energetic efforts can be weakened, willfully or innocently, unless credit office and sales personnel are made acquainted with all the details, given fullest information as to what is going on and, above all, inspired to enthusiastic cooperation.

Often we find that elaborate credit sales promotion plans are conceived, and carried out, without salespeople, and indeed fellow executives, being told of the full scope and purpose of such plans. Hence, through ignorance, apathy, or just plain disinterest, they sometimes nullify the credit manager's best efforts.

Because credit is a highly specialized field, credit managers occasionally tend to become "lone wolves" in the store setup. They run their own departments competently and well, but sometimes fail to take the trouble to enlist the understanding and sympathetic cooperation of fellow executives. This attitude of the credit executive toward other executives becomes mirrored in the relationships between the credit office personnel and the sales personnel. Those in the office tend to feel that the office is a "thing apart," while the salespeople are convinced that the credit office takes every opportunity of losing sales and alienating customers. The burden of promoting better intra-store relations, on all levels, rests largely upon the credit executive.

When visiting stores, and "being shown through the store," I have noticed that many credit managers seem to know almost everyone encountered and as they pass by, offer friendly greetings, generally calling the other person by name. Where this happens, there is little

doubt in my mind that the credit office is indeed a part of that store. It usually turns out that salespeople give their best cooperation to whatever plans are put forth by the credit department.

On the other hand, a few credit managers tend to hold themselves aloof from the sales force, seldom visit sales floors, and make scant effort to become acquainted personally with department managers and salespeople. In such cases, it is a sure conclusion that any sales promotion plans promulgated by the credit office will receive only the most perfunctory degree of cooperation. The lack of cordiality and friendliness on the part of the credit executive will further reflect disadvantageously in such matters as authorization, adjustments, and the like.

Once in a while, sadly enough, there is even evidence of active animosity; family strife. Definite and painful clashes between the credit and other executives occur. True, only exceptional cases, but enough to warrant this mention.

The manager of credit sales should seek every opportunity to discuss with other executives of his store the aims and purposes of the credit department. He should take time to explain to all co-workers how the credit department operates, its plans and objectives.

He must build good public relations within the store if he wants good public relations outside. Credit office personnel should have some sales training and if possible, sales experience so that they will not consider themselves "apart" from the rest of the store, but realize they are closely involved in its over-all success.

When credit sales promotion programs are decided upon, the details of them should be described by the credit executive to all salespeople at a series of meetings. The fullest information should be given, and the eager and enthusiastic cooperation of sales personnel entlisted.

The success or failure of credit sales promotion plans is often determined, not alone by the excellence of solicitation letters, but also by the role the salesperson plays when the invited customer *does* come in. Making friends of co-workers will help in making friends of customers.

This Month's Illustrations ➡

All our letter illustrations this month are from Washington, D. C., the city to which this issue of *The CREDIT WORLD* is dedicated. Each letter deals with a collection matter but the circumstances and the treatment are different in each case. Collection letters have a constant interest for credit managers because collection problems are always with us. We are grateful to these members for permission to share their letters with our readers. Especially do we want to express our appreciation to Chester A. Carter, Woodward and Lothrop, Washington, D. C., and to John K. Althaus, The Credit Bureau, for their splendid cooperation in assembling these letters for publication.

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*



TOM'S AUTO SERVICE, Inc.
The CHRYSLER SERVICE CENTER of Washington

Phone Michigan 2400

635 445 N Street, N. W.
WASHINGTON 1, D. C.

April 15, 1952

Mr. John G. Blank
6000 Main Street, N. Y.
Washington 7, D. C.

Dear Mr. Blank:

"PERSONALIZED SERVICE" isn't just a slogan here at Tom's - it's the constant aim of our entire organization.

It is this spirit of friendly service that prompts this reminder that the balance of \$69.37 on your account is considerably beyond the agreed terms.

Your check will be appreciated - and it will maintain your excellent credit record. We know that you'll gladly cooperate by sending it today.

Cordially,

TOM'S AUTO SERVICE, INC.

R. L. Gilchrist
R. L. Gilchrist
Credit Manager

TELEPHONE
NATIONAL 1800

Lansburgh & Bro.
2010 B & E STREETS, N. W.
WASHINGTON 4, D. C.

April 15, 1952

Mr. John G. Doe
Cora, 12, Company B
P. O. Box, Virginia

Dear Sir:

This is to inform you that we can no longer carry your account on our books without settlement. Every possible courtesy has been extended, and it is difficult to understand why you have not made payment.

In every case where we have communicated with Commanding Officers regarding delinquent accounts of Army Officers, we have found them very cooperative. This seems to indicate that Officers are expected to pay their accounts promptly.

We have no desire to cause you any embarrassment and do not wish to resort to any unpleasant collection procedure. However, immediate arrangements must be made for payment of your long overdue balance.

Very truly yours,

LANSBURGH & BRO.

W. R. Davies

W. R. Davies
Collection Manager

Balance \$145.56

The Hecht Co.

815 AT SEVENTH
WASHINGTON 4, D. C.

April 8, 1952

Mr. James Blank
246 - 25th Avenue
Washington 3, D. C.

Dear Mr. Blank:

I'm sending you this note to call to your attention a matter which may possibly have escaped your notice.

First of all, I want to assure you that the Hecht Company is grateful for your patronage and your good will as reflected in your purchases of our merchandise.

It must be noted, however, that your account at this point is somewhat in excess of the amount you originally anticipated.

May I suggest that, before any further charges are placed against the account, you get in touch with me so that I may issue the necessary instructions for handling the matter to your entire satisfaction.

Very truly yours,

THE HECHT COMPANY

M. L. Downs

M. L. Downs
Credit Manager
Shopping Plate Accounts

JULIUS GARFINKEL & Co.
WASHINGTON 4, D. C.

April 15, 1952

Mrs. John Doe
6500 Flower Road
Bethesda, Maryland

Dear Mrs. Doe:

Our records indicate that we previously called attention to the fact that your account is not being paid in accordance with our terms, namely, in full within thirty days from date of billing.

We are certain that you are interested in protecting your credit standing by adhering to terms and it, therefore, occurs to me that a Budget Charge Account might provide a solution to your problem. I shall be very glad to have you come in and discuss the matter with me.

Cordially yours,

John P. Moore
John P. Moore
Department of
Accounts

THE STORE OF NATIONALLY FAMOUS MERCHANDISE

CREDIT FLASHES

Walter J. Hendrick Retires

Walter J. Hendrick retired recently as Credit Manager, John H. Pray & Sons Co., Boston, Mass., after serving with that company in the credit department for 53 years. Mr. and Mrs. Hendrick were guests of honor at a testimonial given by the Retail Credit Association of Boston and he was presented with a certificate of honorary life membership in the N.R.C.A. and also a scroll making him a life honorary member in the Boston Association.

Mr. Hendrick was known as the Dean of the Boston credit executives having served in the credit department from the day he entered their employ until the day he left. He is a member of the Massachusetts Bar and because of his connection with the legal profession became known to his many friends and associates as "The Judge." He is one of the three living charter members of the Boston Association and was its incorporator. He has always maintained an active interest in the advancement of credit and always gave wise counsel to the many credit executives of Boston. He has had a wealth of experience in credit work and tells of his many interesting anecdotes of credit men lunching together at the turn of the century to discuss their accounts and acting as their own credit bureau.

He plans to take life easy and enjoy himself at his home at 52 Emerson Road, Winthrop, Mass. We wish him many years of happiness in his retirement and congratulate him on his years of faithful service to the credit profession.

Springfield, Mass., Celebrates 39th Anniversary

In observance of the 39th anniversary of the organization of the Credit Bureau as a community cooperative enterprise, officers and several key employees reviewed its most important activities and functions at a dinner meeting recently of the Retail Credit Association of Springfield, Springfield, Mass. Members were reminded that the Bureau was founded in 1912 as a department of the Springfield Board of Trade, now the Springfield Chamber of Commerce. In 1924, a credit reporting department was established and in 1928 the bureau was incorporated. In 1930 the bureau established the Adjustment and Collection department. At the present time the Retail Credit Association enjoys the honor of being the largest N.R.C.A. unit in New England. After the dinner meeting the members and guests inspected the offices of the Credit Bureau.

District One Changes Meeting Dates

District One of the N.R.C.A. will hold its annual meeting at the New Ocean House, Swampscott, Mass., May 19-20, 1952, instead of May 12-23, 1952, at Portland, Maine as published in the April CREDIT WORLD. Clarence E. Wolfinger, Credit Manager, Lit Brothers, Philadelphia, Pa., and past president of the N.R.C.A. will represent the National Association at this annual event.

Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada and Nova Scotia, Canada) will hold its annual conference at the New Ocean House, Swampscott, Massachusetts, May 19-20, 1952.

District Eight (Texas) will hold its annual meeting in San Antonio, Texas, May 18, 19, and 20, 1952.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) will hold its annual meeting at the Winthrop Hotel, Tacoma, Washington, May 18, 19, and 20, 1952.

Mrs. Frederick W. Walter

Mrs. Frederick W. Walter, wife of Frederick W. Walter, Credit Manager, The Bailey Co., Cleveland, Ohio and Chairman, Educational Committee, N.R.C.A., died in her sleep March 22, 1952. The National office wishes to express to Mr. Walter its heartfelt sympathy in his great loss.

Herman G. Meyer

Herman G. Meyer, 64, a founder of Meyer Bros. Whitehouse Stores, Houston, Texas, and former vice-president of Foley's, died March 4, 1952 from a heart attack. He was a brother of Leopold L. Meyer, a past president of the N.R.C.A. Survivors include his son, a sister, three brothers, and a grandson, all of Houston.

Positions Wanted

CREDIT AND COLLECTION MANAGER. Over 20 years' experience in the installment field, covering furniture, appliances, jewelry, musical instruments, clothing, sporting goods, etc. Age 41, married. Active in local, district and national credit associations. Prefer Southwest, west coast or Florida. Box 3526, The CREDIT WORLD.

EXPERIENCED CREDIT MANAGER is desirous of making connection with reputable established organization, preferably in Midwest, as assistant or in any capacity where real contribution can be made with a minimum of traveling. Age 55. Excellent record and references. Salary open. Box 5522, The CREDIT WORLD.

CREDIT AND COLLECTION LADY with 10 years' experience in large volume instalment and budget accounts. Furniture and department store, cycle billing, adjustments, cashier, accounts receivable, skip tracing, credit balance and analyzing accounts. Single, age 40. Will transfer anywhere. Available on two weeks' notice. Box 5521, The CREDIT WORLD.

ASSISTANT CREDIT MANAGER large department store, nine years' experience on open, budget and contract accounts. Previously eight years' experience on instalment accounts. Desires position as credit manager, Southwestern area preferred. Cycle billing and Charge-Plate part of present installation. Knows sales promotion and public relations. Box 4522, The CREDIT WORLD.

PROGRAM

Public Utility Group Sessions

38th International Consumer Credit Conference
Statler Hotel, Washington, D. C.

Group Chairman

Royal H. Kanies, Milwaukee Gas Light Company,
Milwaukee, Wisconsin.

Co-Chairman

C. R. Clarke, Brooklyn Union Gas Company, Brook-
lyn, New York.

Tuesday, June 24

"Welcome!"—Everett J. Boothby, President, Washing-
ton Gas Light Company, Washington, D. C.

"Credit and Collection Problems in Washington, D. C."
—William C. Young, Washington Gas Light Com-
pany, Washington, D. C.

"Operations of the Office of Price Stabilization, Public
Utility Division"—Harry F. Reid, Public Utility Spe-
cialist, Washington, D. C.

Wednesday, June 25

"Collection of 'Off Service Accounts'"—J. E. Malone,
The East Ohio Gas Company, Cleveland, Ohio.

"Telephone Collection Follow-up"—Charles A. Burns,
Union Electric Company of Missouri, St. Louis, Mis-
souri.

"Utility Collection Possibilities"—William R. Kane, The
Credit Bureau, Inc., Washington, D. C.

Thursday, June 26

Luncheon arranged by H. A. Hoppus, Michigan Con-
solidated Gas Company, Muskegon, Michigan.

"Talking Shop"—A discussion session of credit and col-
lection problems.

Report of Nominating Committee—Jerome K. Jordan,
Michigan Consolidated Gas Company, Detroit, Michi-
gan, and Russell Mitchell, Peoples Gas Light and
Coke Company, Chicago, Illinois.

Election of Officers.

Knoxville Association in New Quarters

The Credit Bureau of Knoxville, the reporting division
of the Retail Credit Association, Knoxville, Tenn., re-
cently celebrated its installation in new quarters. The
new offices contain 3,500 square feet and are planned for
any expansion likely to occur during the next ten years.
The Credit Bureau was organized January 10, 1916
and the late Robert M. McMillan was secretary. Dur-
ing its 35 years of existence it has had but four managers:
the late Mr. McMillan, Tom Elsterly, the late Dewey
W. George, and A. C. Bittle, who has been manager for
the past 21 years. With 300 members and 20 employees,
the bureau has about 300,000 cards in file and handles
about 9,000 reports per month. Occupation of its new
quarters meant the addition of three new employees.

Charles F. Naumann in New Position

Charles F. Naumann has been appointed Credit Man-
ager of the Fedway division of Federated Department
Stores, according to Morris Ginsburg, President. He
was formerly Credit Manager, Frederick Loeser & Co.,
Brooklyn, N. Y. Mr. Naumann has already taken up
his new duties.

Ten Commandments For Proper Credit Control

The Credit Manager expects and must secure accurate
information from the Credit Bureau as quickly as possi-
ble. Customers will not wait for days for merchandise
that was purchased at the time the application for credit
was made. The need of close cooperation between the
Credit Bureau and Credit Manager is becoming more
and more important in this, what we may call, "credit
economy."

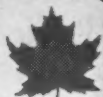
The worth of an individual for credit privileges is
based on how he pays. Factual data regarding the pay-
ing habits of the credit customer lie in the files of the
store and as each store is anxious for the combined experi-
ences of other stores in his trade territory, it was a
reasonable assumption that the establishment of Credit
Bureaus to whom such records could be transmitted
would be a central source on which any credit executive
could draw. As this has enabled credit selling programs
to become business builders, nothing should be done to
prevent the prompt and proper flow of credit experiences
into the Credit Bureau.

As a Credit Man, I realize more and more my de-
pendency on the files of the Credit Bureau and I expect
my fellow credit men to fulfill their obligation in the
cooperative field. I, therefore, accept as my responsi-
bility the following ten commandments for proper credit
control:

1. When affiliating with the Association by the listing
of my accounts in the office of the Credit Bureau, show-
ing my previous credit experiences.
2. By clearing all applications for accounts with the
Credit Bureau.
3. By the prompt reporting of accounts that have be-
come too slow or closed because of unsatisfactory rela-
tionship, either because of excessive returns of merchandise,
difficulty on checks, or claims for unauthorized buying,
etc.
4. The prompt replying to all requests for ledger ex-
periences from the Credit Bureau that may be of prompt
service to other stores.
5. The proper use of pre-collection letter services and
the Collection Service Department of the Credit Bureau.
6. By the interchanging of credit and collection ideas.
7. By the use of the Association credit application
blank.
8. By attendance at the Credit Round Tables and As-
sociation meetings.
9. By attendance at State, District and National As-
sociation Conferences; interchanging ideas on procedure
and practices to bring about a better procedure in all
credit relationships.
10. By cooperating in all credit activities and adver-
tising programs of educational value to both merchant
and public, believing that credit selling is vital to the
proper development of modern retailing.—Charles D.
Reno, *Credit Sales Manager*, Scruggs-Vandervoort-
Barney, St. Louis, Missouri, and *Director*, National Re-
tail Credit Association.



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

Sojourn In Totemland

CARL B. FLEMINGTON, M.C.I., Credit Bureau of Greater Toronto, Toronto, Ontario, Canada

WE AS CANADIANS are particularly fortunate in our heritage. One has only to traverse this vast land from St. John's, Newfoundland, to Victoria, B. C., to realize the bounty of our inheritance. We are further blessed in having such a friendly neighbour as the United States of America, who, despite the apparent eagerness of a few misinformed politicians, have no desire that we become one in organic union, but rather that we ply our respective paths; co-operating in all that builds for a better world; giving to one another of our experience and each making that contribution to a common cause which fosters all that is best in mutual understanding and good will.

The Annual Conference of the Associated Credit Bureaus of Canada, the Credit Granters' Association of Canada and the Credit Women's Breakfast Clubs of Canada has recently concluded in Vancouver, and has, we feel sure, been conducive to the furtherance of those principles of unity and progress which have characterized our credit organizations servicing the retail fraternity.

Stay Memorable and Enjoyable

The City of Vancouver could never be more radiant than on Saturday, February 16, 1952, the opening day of the Conference, and to those who journeyed from the East, the warmth of the Spring sunshine was particularly welcome. Such a condition so affected our Greeters' Committee, that it was decided to travel to the Hotel Vancouver via Stanley Park, as they felt that such a day might not be repeated during our stay. However, each succeeding day seemed to outclass its yesterday to make our stay in the British Columbia Metropolis both memorable and enjoyable.

Crocuses and snowdrops were in profusion, while daffodils and tulips seemed only to wait for the signal to burst forth into bloom. Holly trees, radiant with red berries in the bright sunshine, whispered a message of Peace in their reminder of Christmas; Peace in a world which seems to have forgotten its meaning.

Bright and early Monday morning, registrations and Committee meetings having been completed over the week end, the Conference was officially proclaimed by an event which became the toast of delegates, the Annual Breakfast, sponsored by the Credit Women's Breakfast Club of Vancouver, and presided over by their President, Mrs. Nesta Elkins. The address was given by Dr. Roy Huggard, renowned surgeon, soldier and lecturer, who made a lasting impression on his audience.

The entertainment provided by "Indians," who played and sang with "out of this world" fervour, was richly applauded and girls dressed in Indian costume assisted in the distribution of prizes. To all officers and committees of that Club, we extend heartiest congratulations on a job well done.

The hour of 9:30 A.M. heralded the formal opening under the direction of the Conference Chairman, H. C. Buker. Invocation was pronounced by the Very Rev. Cecil Swanson, D.D., Dean and Rector of Christ Church Cathedral in Vancouver. His message was both inspiring and thought provoking, as he impressed upon us, briefly yet clearly, that "our most valuable asset is a name."

This was followed by the civic welcome, which left no doubt but that Vancouver was prepared to make our sojourn both enjoyable and unforgettable. There is no doubt but that the hospitality extended everywhere provided sufficient justification for the warmth of this greeting, which was responded to by Arthur Bullied, Secretary Treasurer of both Canadian organizations. Greetings were also extended by W. J. Tate of Ottawa, President of the Credit Granters' Association of Canada, and Third Vice President, National Retail Credit Association.

None of us will forget the address given on "Totemland" at this morning session by Rowe Holland. He weaved for us in eloquent portrayal the "legends" surrounding the totem poles, together with stories of Indian lore, concerning early settlers of the British Columbia coastal regions. His presentation was most fascinating as he lived in his mind's eye and relayed to us tale after tale of Chief and Indian Maiden. Totem poles, commanding, ornate and grotesque, provided admirable background for his delivery.

Address of Hon. H. H. Stevens

The feature address of Monday morning's session was given by the Hon. H. H. Stevens, well known by all Canadians from Coast to Coast as an aggressive and crusading personage in Canadian politics. He held the portfolios of Customs and Excise and that of Trade and Commerce during the Conservative administration under the late Right Hon. R. B. Bennett. He spoke in earnest vein of "The Place of Credit in Canada's Expanding Economy," pointing out its uses and abuses, but always emphasizing the fact that consumer credit is of value and worthy of consideration only when it is properly used in the service of man. Credit facilities should be available to enhance the standard of living, but at the same time, the cost of such should be kept in reasonable proportions, exemplifying the true spirit of credit as "Man's Confidence in Man."

Monday's luncheon was presided over by L. J. Groom, President of the Retail Credit Granters' Association of Vancouver, and an address, "Planning for Office Management" was given by T. H. Sherwood, General Service Supervisor, B. C. Telephone Company and President of the Vancouver Chapter, National Office Management Association.

Many good points were stressed and the humour injected into his delivery made the address both valuable and pleasing. I am sure we will never forget his definition of tact, which runs thus: "Tact is that science which enables us to tell someone to go to H . . . and to put it in such a way that he will look forward to the journey." How true, yet how nearly impossible.

Monday afternoon was devoted to Group Meetings, both with the bureau managers and the Credit Granters' Association. Resolutions and recommendations from Committees were studied and acted upon by the Bureaus, together with an analysis of the Financial Statement and the Budget for 1952. Many discussions of a constructive nature were held and although credit bureau representation was largely from the Western Provinces, all decisions made and plans for future activity were guided by the spirit of tolerance and good will, which cannot but react to the general advantage of our Associations. C. H. Williams of Edmonton, President of the Associated Credit Bureaus of Canada, presided in able manner, and audience participation was on a high level. Meetings of this nature continued throughout Monday afternoon and Tuesday morning.

Tuesday's Luncheon address was of a high educational content, favoured as we were to hear Professor L. M. Vukelich of the University of B. C., "Credit Education in Canada." The speaker expressed the importance of combining theory and practice in the credit profession and illustrated the value of the course in Retail Credit Granting currently sponsored by the Vancouver Association and arranged through the Extension Department of his University. The afternoon of Tuesday was devoted almost entirely to a Credit Forum, conducted by W. J. Tate.

No doubt remains but that this Conference did much to improve the calibre and effectiveness in the extension of consumer credit in all its phases. Geographical expanse results in a truly representative attendance from all ten Provinces being practically impossible but it lies with those of us who were privileged to attend to impart the knowledge gained to those bureaus and units of the Credit Granters' Association less fortunate. It evolves in us to do all in our power to further the cause of proper conduct in the extension of consumer credit and to maintain high ethical standards in our profession.

The following officers and directors were elected for the ensuing year: *Associated Credit Bureaus of Canada*, President, A. D. Sinclair, Ottawa, Ontario; Vice President, C. H. Williams, Edmonton, Alberta; and Secretary-Treasurer, Arthur Bullied, Toronto, Ontario. Directors: C. T. Beaman, Brantford, Ontario; Thomas Downie, Vancouver, British Columbia; H. F. Eberts, Regina, Saskatchewan; C. B. Flemington, Toronto, Ontario; L. A. Hodges, Saint John, New Brunswick; S. Masson, Hamilton, Ontario; E. L. Silver, Windsor, Ontario; and G. D. Smith, Montreal, Quebec. *Credit Granters' Association of Canada*, President, Karl Slocumb, Winnipeg, Manitoba; First Vice President, S. B. Latraverse, Montreal, Quebec; Second Vice President, P. C. Fergusson, Regina, Saskatchewan; and Secretary-Treasurer, Arthur Bullied, Toronto, Ontario. Directors: B. A. Cockburn, Toronto, Ontario; Lou Groom, Vancouver, British Columbia; H. L. Hume, Toronto, Ontario; D. A. Humphries, Kitchener, Ontario; Marcel Laurin, Quebec City, Quebec; Frank

Molloy, Montreal, Quebec; L. S. Crowder, St. Louis, Missouri; Herb Barnes, Vancouver, British Columbia; and Harold Genser, Winnipeg, Manitoba.

My report of the proceedings would be incomplete were it not to include some mention of the entertainment. An informal get-together was held on Sunday evening which provided an opportunity for the rekindling of old friendships and the making of new ones. There was an air of informality pervading all events. The dinner and square dance held Monday night was an evening long to be remembered. The closing banquet and dance held Tuesday night was a fitting climax to a wonderful conference, one which reflected the true spirit of Western hospitality.

On Wednesday morning, the Vancouver Credit Women's Breakfast Club invited the delegates to take a courtesy flight in one of the Trans-Canada Airlines' North Star Planes. It was a bright sunny day and the trip over Vancouver, Port Moody and New Westminster was most thoroughly enjoyed. The snow-capped mountains seemed close to us at times, particularly when we flew over "The Lions" at what seemed to us close range, but we knew we were at a safe distance.

Final meetings of committees, etc., completed the day and Thursday saw us on our way homeward. This, of course, is a general report of the Vancouver proceedings, but detailed reports, together with copies of the minutes, will in due course be received by both members of the Associated Credit Bureaus of Canada and the Credit Granters' Association of Canada.

Such a conference, with its relative entertainment, cannot be sponsored and carried to a successful conclusion without much hard work and ceaseless effort on the part of those responsible. To Harry Buker, General Chairman, Lou Groom, President, Retail Credit Granters' of Vancouver, Mrs. Nesta Elkins, President, Credit Women's Breakfast Club of Vancouver and to Thomas Downie, Manager of our host credit bureau, together with their committees, and others who are legion, we offer our sincere congratulations and warmest thanks for a wonderful time in a wonderful city. Our thanks also to the management and staff of the Hotel Vancouver for the many courtesies extended. ★★★

George C. Lawrence Retires

George C. Lawrence, Credit Manager, Coulter Dry Goods Co., Los Angeles, Calif., has retired after 44 years with the firm. The Retail Merchants Credit Association of Los Angeles gave a testimonial dinner for him on March 11, 1952 and presented him with some luggage and a clock. The presentation was made by E. K. Bartlett who also eulogized Mr. Lawrence whose contribution to his firm and community has brought him the respect and devotion of all who have known and worked with him. He is a charter member of the Los Angeles Association and the National Retail Credit Association. He was a member of the 25 year club and is now an honorary life member. Mr. and Mrs. Lawrence contemplate a trip to Hawaii in the near future. The N.R.C.A. wishes Mr. Lawrence many more years of health and happiness in his well-deserved retirement. He will be succeeded by King Brown who has worked as Mr. Lawrence's assistant for the past ten years.

● "Shopping Plate" ●

(Beginning on Page 6.)

whatever. Internal handling of changes received from imprints on sales checks varies from store to store, but each store has devised a satisfactory method of picking up the changes and routing them to proper places.

Comment: Although this procedure seems to be working well, it is also to be expected, since this problem is present to a greater or lesser extent in every store, regardless of the type of group to which it belongs and even with individual installations.

Question: What are the costs of operation?

Group reports: Due to the variation in the duties assigned to plate-making personnel in the individual credit offices, it is difficult to accurately determine the pay roll to be charged exclusively to the plate activity. Smaller stores require only a fraction of a person's time, while the larger ones vary from one to two persons according to the time of year. As an average, the time of a maximum of six persons is required to carry on the

plate work for the six stores. On this basis the per-plate cost for the first year, including supplies and postage, but excluding the equipment and overhead factor, was 13½ cents. The first year with all the necessary adjustments should probably not be considered typical but, for what it is worth, that is the most accurate figure which could be determined.

In conclusion, the Farrington Company and the Washington group believe that it is still too soon to be absolutely certain of the advantages or disadvantages on all points as to a decentralized vs. a centralized group operation. There have been no major points of difficulty in the first year of operation. The objectives of speedier customer plate handling service at a low cost have proved themselves so far. Carriage has been comparable with other groups. However, each city and group of stores must weigh all of their own peculiar problems in order to determine what is best for their own conditions. ★★★

● "Today's Challenge" ●

(Beginning on Page 11.)

electrical appliance department. For example, if a customer purchased a washing machine, she could be called by the same salesman who should suggest the addition of an electric ironer to complete her unit, etc.

4. By tabulating your accounts as to type of merchandise, it is quite simple to notify the customer of seasonal and special sales, for goods they will probably be interested in obtaining.
5. Regular charge accounts should also be opened for customers who have paid their deferred payment accounts satisfactorily.

The power of a telephone call should never be underestimated. A telephone call is an excellent medium of direct contact between the purchaser and yourself. This method of solicitation is most frequently used as a last resort. However, it need not be. It is, of course, of primary importance that the person making the call should be thoroughly schooled in what to say and when to say it. The solicitor must have voice personality to help make the sale.

The telephone should definitely be used somewhere in your program to contact the customers whose accounts

have become inactive. The fact that the telephone is used will appeal to your customer and, therefore, much information can be obtained as to why she has not been shopping with you. As previously stated, grievances will come to light which should be immediately taken care of and in many instances this factor alone will cause the account to become active again.

Do not make these calls indiscriminately. It is best not to call a housewife until after ten in the morning, which gives her a chance to complete her housework. Nor is it good psychology to make the call during the dinner hour.

Credit executives control an important part of most retail organizations today. We should therefore do everything within our power to make our divisions as productive as they are important. We should strive to obtain and hold all of the charge customers possible and watch the activity of accounts to make sure they are not being lost needlessly. Remember, a great deal of money was spent through all forms of advertising, to bring these people into our stores. Our responsibility is to keep them coming back and they will if they see there is interest and thoughtfulness in our dealings. ★★★

● "Suggestions" ●

(Beginning on Page 21.)

3. *Brief summary of highlights of principal addresses.* (Not too lengthy as the complete addresses appear later in *The CREDIT WORLD*).
4. *Collection trends.* Up or down. Ideas for simplified or more effective collection notices and letters, need for closer follow-up, use of telephone, etc.
5. *Special information.* Ideas picked up at group meetings for the benefit of those in similar lines of business in the home city.
6. *Over-all impressions.* Views as to the general business

outlook, and credit and collection matters in particular, gained from the principal speakers and discussion leaders.

7. *Formal recommendations and official resolutions.*

The time and effort required to winnow out from the mass of material these grains of significant and helpful information will be well spent. Classification of the various items under the headings suggested will result in a coherent and interesting report when the delegate returns to home base.—Leonard Berry.

Collection Scoreboard

Compiled by the Research Division

March, 1952

March, 1951

DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1952			1951			1952			1951			1952			1951			1952			1951		
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO
1 Boston, Mass.	41.5	48.1	35.1	41.5	47.9	35.3	19.6	35.9	14.1	19.5	30.2	19.1	—	—	—	—	—	—	—	—	—	—	—	—
2 Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 Providence R. I.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Springfield, Mass.	63.3	69.8	60.1	60.5	60.7	60.3	28.5	30.0	26.9	20.9	22.6	19.1	67.4	—	75.3	—	—	56.5	—	—	62.4	—	—	—
5 Worcester, Mass.	45.7	45.8	45.6	51.2	51.9	50.5	24.4	25.0	23.8	25.8	28.4	23.2	50.2	52.4	48.0	52.1	53.3	51.0	—	—	—	—	—	—
6 New York, N. Y.	48.2	54.3	45.0	50.2	55.3	47.6	22.1	22.2	22.0	19.8	22.2	17.4	44.4	53.7	41.6	48.8	54.7	45.8	52.7	54.9	50.6	56.3	60.9	51.7
7 Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8 Birmingham, Ala.	46.1	56.6	37.0	48.8	57.9	41.5	20.6	23.2	18.0	19.1	22.8	17.2	49.9	71.4	36.7	48.6	55.6	38.2	47.3	50.0	40.7	51.8	55.9	48.3
9 New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Cincinnati, Ohio	55.7	60.2	52.4	57.6	62.4	52.6	19.2	23.7	14.4	18.2	23.5	15.0	60.7	66.4	55.1	57.5	58.5	56.6	51.6	54.7	48.6	56.0	57.2	54.9
11 Cleveland, Ohio	43.3	48.6	37.1	47.0	49.9	41.4	21.0	23.9	15.5	21.6	25.1	20.5	34.9	57.5	31.6	35.8	40.1	31.6	79.6	89.5	46.3	66.3	90.1	41.9
12 Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13 Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Louisville, Ky.	51.3	53.5	49.2	49.6	50.5	48.7	20.1	24.2	16.2	16.8	22.0	13.0	48.4	47.6	45.5	46.1	47.8	43.5	49.0	54.7	42.9	47.7	54.1	43.3
16 Ottawa, Ontario	44.6	48.9	34.1	48.4	52.1	43.2	21.5	23.5	19.7	18.6	24.7	17.0	—	—	—	—	—	—	—	—	—	—	—	—
17 Toledo, Ohio	48.3	52.2	40.3	42.6	54.0	39.5	17.5	21.5	15.8	13.8	24.3	16.4	56.6	64.5	50.0	58.5	59.9	49.0	41.3	46.3	36.3	44.0	48.5	39.6
18 Youngstown, Ohio*	—	40.4	—	—	39.4	—	—	15.7	—	—	16.0	—	—	—	—	—	—	—	—	—	—	—	—	—
19 Cedar Rapids, Ia.	51.4	52.6	50.2	53.5	54.5	52.6	16.6	17.2	16.0	20.0	21.0	19.1	—	73.3	—	79.0	—	—	59.7	61.5	57.9	79.1	79.8	78.4
20 Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
21 Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22 Minneapolis, Minn.	20.6	22.3	19.6	22.6	24.0	21.8	56.3	60.0	53.3	57.5	58.4	56.7	49.1	54.6	43.6	47.9	56.3	39.5	52.6	60.0	46.3	50.9	53.4	46.6
23 Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24 Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25 Kansas City, Mo.	56.1	59.2	52.2	63.6	66.9	60.4	20.1	24.3	15.9	18.4	21.9	15.0	58.8	59.3	58.6	55.9	59.3	54.2	58.8	59.3	58.6	55.9	59.3	54.2
26 St. Louis, Mo.	53.4	56.1	51.9	53.4	56.0	50.0	19.2	22.4	17.3	20.1	23.0	17.0	46.0	58.0	39.2	51.5	61.2	41.8	49.4	54.6	48.1	53.1	55.5	50.7
27 Denver, Colo.	44.6	53.7	38.4	52.7	55.7	40.5	19.0	21.2	18.0	20.8	22.9	20.6	48.4	52.3	44.6	51.6	53.3	49.9	48.4	52.3	44.6	51.6	53.3	49.9
28 Salt Lake City, Utah	59.3	63.8	52.5	61.4	66.5	53.6	21.9	24.9	19.0	19.9	23.1	15.5	—	—	—	—	—	—	47.1	50.3	44.0	48.5	52.1	45.0
29 Spokane, Wash.	—	55.0	—	—	55.7	—	—	15.6	—	—	15.6	—	—	—	—	—	—	—	—	—	—	—	—	—
30 Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31 Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32 Los Angeles, Calif.	50.7	61.4	44.7	49.6	56.4	40.3	19.1	20.7	17.6	—	—	—	—	—	—	—	—	—	52.4	73.8	49.5	56.2	82.2	50.0
33 Oakland, Calif.	61.5	64.7	56.6	60.6	62.8	58.2	19.4	22.9	18.2	17.9	22.9	15.3	56.3	57.8	54.8	59.6	63.6	55.6	57.4	61.4	53.5	62.0	69.7	54.2
34 Santa Barbara, Calif.	60.9	66.1	53.0	64.4	70.0	59.2	—	—	—	—	—	—	56.5	65.4	49.4	60.7	69.8	55.5	63.2	69.9	51.3	68.2	79.1	60.5
35 San Francisco, Calif.	53.1	63.8	47.4	56.1	65.7	49.5	19.9	21.1	18.8	24.1	27.4	23.5	45.3	48.8	38.2	49.5	51.1	42.8	48.4	54.6	46.3	53.0	54.2	52.0
36 Baltimore, Md.	45.2	50.4	38.9	47.3	49.1	44.5	18.3	25.7	11.3	18.1	26.0	13.6	43.1	52.2	47.0	42.8	52.9	42.1	46.1	51.6	40.6	42.8	49.9	35.8
37 Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
38 Washington, D. C.	42.8	50.9	33.1	45.1	50.7	36.6	18.1	20.7	14.9	19.1	22.2	16.4	—	—	—	—	—	—	—	—	—	—	—	—
39 Milwaukee, Wisc.	47.2	54.0	50.4	51.5	55.8	47.1	—	19.6	—	—	18.7	—	53.5	60.9	46.0	54.8	60.7	49.0	65.4	71.8	59.0	60.5	67.0	54.1

*Figures for February.

A SEASONAL decline in installment accounts receivable at department stores during February brought month-end balances to a level 5 per cent below that for January. These accounts continued substantially below a year ago. A 10 per cent drop in collections on installment accounts in February was reflected in a collection ratio 1 point lower than the January ratio. However, the February ratio was still above that for the same month last year. Charge accounts also declined seasonally during February. At the

month-end, they were 13 per cent below the January level, but were only one per cent below the level of February, 1951. Collections decreased 23 per cent during February, when a sharp decline is usual. The collection ratio of 45 per cent was two points below that for January and one point below that for February of last year. All types of sales declined from January to February, as is customary for this time of year. Sales during February were also less than in the same month a year ago.—Federal Reserve Board.



WE'RE EXPECTING YOU!

THE 38TH ANNUAL International Consumer Credit Conference will be a "Credit Workshop"—one that you cannot afford to miss.

Elsewhere in this issue you will find a program of the general sessions on Tuesday, Wednesday and Thursday mornings. On Tuesday morning there will be a Credit Forum, presided over by Vice President O. Willard Frieberg, San Francisco, California. There will be panel discussions on Wednesday and Thursday mornings, with Vice Presidents W. J. Tate of Ottawa, Canada, and Henry C. Alexander of Charlotte, North Carolina, as moderators.

At the Tuesday and Wednesday afternoon group meetings, from two to five o'clock, there will be a discussion of problems, procedures, etc., of special interest to the respective groups.

There will be a "Workshop" on Thursday afternoon, from 2:00 to 4:30, attended by all members with the exception of several specialized groups which will meet separately. Questions will be answered by panel members and, in addition, there will be participation from the floor.

Rubbing elbows with fellow credit executives will afford an opportunity to discuss and solve mutual problems.

Excellent programs have been arranged for Credit Bureau and Collection Service Managers, in addition to which they will be represented on the several panels.

Members of the Credit Women's Breakfast Clubs of North America will have two business meetings: breakfast on Monday morning, June 23, and dinner on Wednesday evening, the 25th. They will attend the general sessions and group meetings of the National Retail Credit Association, or if in Bureau work, the meetings of the Associated Credit Bureaus of America.

Note on your calendar—Washington, D. C., June 23, 24, 25 and 26—and resolve to be there. It should be a **MUST** for every Manager of Credit Sales, members of ACB of A and of CWBC of NA.

General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION



**Your Change
Account is Balanced**

Yes! We've noticed it, and hope you will use it this month.

**We Value Your
Partnership!**



**You Don't Owe
Us a Cent!**
**
Yes! We've noticed
it and we hope you
will use your charge
account this month.
**Your Patronage
Is Appreciated!**

**Your Account
Is Balanced?**

This is just a re-
minder that we
missed you last
month.

**Use Your
Charge Account!**

*Of Course...
We Missed You!*
**
And your account is
waiting for you.
Come in and use it!
We Value
Your Patronage!
C.R.A.I.



*This is a
Black & White!*

To remind you that we miss
your patronage and to
extend this invitation.

*Was Your Chicago
Restaurant?*

**Keep Your Credit
Record Good** 

Whatever your needs may be, a convenient means of making your purchases is by using a charge account.

A good credit rating, obtained by meeting obligations promptly entitles you to this privilege.

Pay each account in full on receipt of bill and contract purchased as agreed. *******

Maintain a Good Credit Record —

For more than a quarter century, business and professional men in North America have consulted their actual ledger experience — good, bad and indifferent — to form a tremendous catalog of credit information. This material is a basis for the credit record of the consumer.

Payment of regular accounts on receipt of bill and immediate payment as agreed will build and maintain a good credit record.

MAIL *it to day*
...
Don't let this post-date account ease your credit record. Pay it now and keep your credit record clear!
Proper Payment: Build Good Credit!

Good Credit 

The majority of people who have credit in its various forms, are only those who meet their contracts as agreed, continue to enjoy its advantages.

The credit you command results largely on one thing—not the position you hold, not the property you own, not your bank account—but the way you pay your bills.

PAY all charge accounts promptly each month and maintain



Please!

Say that we've reminded you, won't you send us a check—please!

Thank You!

Credit Is Confidence

in the integrity of an individual
to carry through his agreements.

Your willingness to pay
promptly is the basis on which
the retailer extends credit to you.

Charge accounts are due and
payable on receipt of statement.
Installment accounts are due at
the date specified.

Pay Your Obligations Promptly

How to Build a Good Credit Record

- 1—Pay charge accounts in full within 10 days after receipt of bill.
- 2—Make contract payments on or before due date.
- 3—Guard your credit as a sacred trust.



MAIL it to day
...
The 10th of the Month
Is the Month and Professional Men's
Play Day?
Paying bills promptly
maintains a good
credit record.



**The 10th
of the Month**
*Is the Merchant's and
Professional Man's*
Pay Day!
Paying bills promptly
maintains a good
credit record.

**Keep Your Credit
As "Good As Gold"™**

*Finest selection of accounts,
exclusively in credit with Gold
a powerful credit monitor.*

"Worth More Than Gold"



MAIL *it to day*

Now... that we've reminded you, now's your time to send us a check—please!

Many Thanks! 

Terms on Monthly Charge Accounts
ACCOUNTS are due and payable upon receipt of bill. They are past due if not paid within 30 days after bill is rendered.

Prompt Payment
of your account
is solicited in the
same courteous
manner as your
patronage. Both
are appreciated.

Just to Remind You...
That this amount
is past due. We'll
appreciate your
remittance.
Thank You!

"Good Credit—
is worth more than all the
gold mines in the world,"
said Winston.

**prompt Payment Builds
Good Credit—Worth
More Than Gold"**



The Credit Bureau

There is a Credit Bureau in your community that keeps a record of the manner in which you pay your bills. Its files are open to every creditor.

As a cooperating member of the Bureau, we list a slow and unsatisfactory account. If your past due account is reported to them, it can affect your credit record.

Guard your credit by paying all bills promptly.



*Protect
Your Credit*

Your failure to remit amount now due and to make future payments according to the terms of your contract will mar your credit record.

*Make it a habit to
pay promptly*

**WAS IT OCCURRED
TO YOU** 

that your unpaid account, if entered against your record in the files of the credit bureau, may jeopardize your credit standing?

The National Retail Credit Association, of which we are a member, is an international organization and in the line of its affiliated credit bureaus are maintained accurate, up-to-date records on millions of credit customers.

Promptness You are urged to make prompt and regular payments, in accordance with your agreement.

Paying promptly builds a good credit

Pay Professional Bills Promptly —

THE MANNER in which you pay your professional bills has an important bearing on your credit standing with retailers of the community.

PAY YOUR PHYSICIAN, dentist and hospital bills promptly and maintain a good credit record. ★ ★



Just to Remind You...

that this account has probably been overlooked and we'll appreciate your remittance.

Thank You!

pay your bills in full TODAY
so that your Credit will be good
TOMORROW

**Guard Your Credit
As a Sacred Trust!**

Credit is built—
confidence in your
agreement to
pay according
to terms.

Keep Faith With
Confidence


**Don't Break
Your Promise**

Your recent remittance was appreciated. However, it was not in accordance with understanding. Please bring the account into current condition and maintain a record

Now—Please?

We know how busy it is for you. Won't you send your application while you have it in mind?

Prompt Payments. Best Good Credit—Worth More Than Gold!




*You Forget...
Didn't You?*

Write me mail
so I don't ever
wonder you have
me in mind!
Thanks!

**A Friendly
Reminder!**

As this account is overdue,
your convenience will be
greatly appreciated.


Prompt Payment Builds
Good Credit—Worth
More Than Gold™



The PHYSICIAN.

The HOSPITAL.



THE ORDER OF THE  **GOLDEN CHAIN**

● **Has it occurred to you that your unpaid account, if entered against your record in the files of the credit bureaus, may jeopardize your credit standing?**

● **The National Retail Credit Association, of which we are a member, is a national nonprofit organization with more than 25,000 members in the United States, Canada, Alaska, and credit reports in its affiliated credit bureaus are maintained accurately, up-to-date records on millions of credit customers. These form the basis of credit ratings must be many retailers and others to judge the character and trustworthiness of applicants for credit.**

● **The purpose of this reminder is to help you protect your credit standing in the community by making payment NOW.**

are entitled

These members are also eligible, on the basis of their record, to receive the credit standing of our members. This report is available to every merchant or professional man who is a member of the Credit Bureaus.

Your account with us at the present time is **PAID IN FULL**. To maintain this record, you should make a payment **NOW** and bring it in as early as possible.

Customer's Name _____
 Firm Owned _____
 Balance \$ _____ Part Due \$ _____
 Date _____
Guard Your Credit as a Sacred Trust

NATIONAL RETAIL CREDIT ASSOCIATION

a National or non-Profit International or Corp.

EXECUTIVE OFFICES — ST. LOUIS

★

Complete in

375 Jackson Ave.

St. Louis 5, Missouri

every detail . . . spaces for all needed information

... designed with the approval of our members

★

★

★